

In the Matter of:)
)
Business Meeting)
_____)

WEDNESDAY, JUNE 23, 2010

10:00 A.M.

California Reporting, LLC
52 Longwood Drive, San Rafael, California 94901 (415) 457-4417

COMMISSIONERS PRESENT

Karen Douglas, Chair

Jeffrey D. Byron

Anthony Eggert

STAFF PRESENT

Melissa Jones, Executive Director

Michael Levy, Chief Counsel

Jennifer Jennings, Public Advisor

Harriet Kallemeyn, Secretariat

Claudia Chandler

Bill Pennington

Helen Lam

Larry Rillera

Jennifer Allen

Joseph Wang

Karen Perrin

Miki Crowell

Patrick Saxton

Reynaldo Gonzalez

Philip Misemer

Chris Scruton

Marla Mueller

Joe O'Hagan

Donald Kazama

Paul Roggensack

Dustin Davis

Caryn Holmes

Pat Perez

ALSO PRESENT

Interested Parties

Andrew Finlaysin, State Controller's Office

PUBLIC COMMENT

Robert Raymer, CBIA

Vince Sugrue, SMW Local 1104

Erik Emblem, SMACNA

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P R O C E E D I N G S

June 23, 2010 10:03 a.m.

CHAIRPERSON DOUGLAS: Good morning. Welcome to the California Energy Commission Business Meeting of June 23rd, 2010.

Please join me in the Pledge.
(Whereupon, the Pledge of Allegiance was received in unison.)

CHAIRPERSON DOUGLAS: Beginning on Item 1, the Consent Calendar, we have a request to move Items 1B, C, and D, take them off consent and make them a discussion item. So, Commissioners, we will begin with Item 1A of the Consent Calendar.

COMMISSIONER BYRON: I move approval of the Consent Calendar.

COMMISSIONER EGGERT: Second.

CHAIRPERSON DOUGLAS: All in favor?
(Ayes.)

Item 1A is approved. And now we will take up Item 1B, C and D. We have one member of the public who would like to comment. Oh, I am reminded that, before we get into Item B, C, and D, we have some guests here who probably do not want to sit through the entire business meeting, so, before we recognize them for their extraordinary efforts. So before we get to the second part of the Consent Calendar, we have

1 invited State Controller's Office here and, also, our staff
2 who have worked on the California Cash for Appliances
3 Program, to recognize the Controller's Office for its
4 extraordinary efforts and partnership with the Energy
5 Commission and our own staff for their extraordinary efforts
6 to create out of nothing and nowhere this amazing program.

7 The California Energy Commission launched the
8 California Cash for Alliances Program on April 22nd, 2010, it
9 was Earth Day. It is a \$35 million rebate program for
10 appliances. Prior to the launch, the Energy Commission and
11 the State Controller's Office staffs worked diligently to
12 create this program from scratch, in less than six months.
13 And this is an unheard of timeframe for a program that was
14 anything but simple to put together. This effort required
15 the two staffs, the Energy Commission and the Controller's
16 Office, to work as one, to be innovated, be flexible, to meet
17 all State and Federal requirements, be transparent, and
18 ensure against waste, fraud and abuse.

19 The Controller's Office staff has done an
20 extraordinary job to ensure that the rebate processing,
21 validation, and payment process runs smoothly and efficiently
22 for the benefit of California consumers. Checks are going
23 out the door, consumers are receiving the rebates, and we are
24 tremendously pleased with the way this is going. We wanted
25 to ask them to come here today to express our appreciation

1 for their team attitude, high level of cooperation that we
2 have experienced with them, and their willingness to work
3 very hard to meet the aggressive timelines that this program
4 is under. So the Commission would like today to express
5 their thanks to the staffs of the Controller's Office and the
6 Energy Commission for the long hours, professionalism, and
7 dedication in ensuring that this Stimulus program is a
8 success. So what I have got here is a resolution for the
9 Controller's Office, and then a number of individual
10 resolutions for our staff and Controller's Office staff.
11 What I will do is read the large resolution, read the names
12 of the staff that are being recognized, and ask them to stand
13 up, and when everybody has stood up, when I have gone through
14 the list, to please come forward for a photo in front of the
15 dais. The resolution reads as follows:

16 "WHEREAS, staff of the State Controller's Office
17 has demonstrated an uncommon team work, an
18 interagency ethic as a partner of the California Cash
19 For Appliances Team; and

20 WHEREAS, staff of the State Controller's Office
21 contributed to establishing a brand new state program
22 in one-third the normal time, while demonstrating
23 exceptional professionalism and dedication; and

24 WHEREAS, staff of the State Controller's
25 Office's attention to detail and their thorough

1 implementation of duties has prevented fraud, waste,
2 and abuse in the California Cash For Appliances
3 Program; and

4 WHEREAS, staff of the State Controller's Office
5 has conducted themselves in an efficient and flexible
6 manner, allowing the state to expeditiously issue
7 rebate warrants in less than five days after they
8 have been validated; and

9 WHEREAS, staff of the State Controller's Office,
10 exemplifying an attitude of cooperation and exceptional
11 customer service to the California Energy Commission,
12 with a can-do attitude;

13 THEREFORE, BE IT RESOLVED, the California Energy
14 Commission commends and thanks the State Controller's
15 Office and its staff for working tirelessly on behalf
16 of the California Cash For Appliances Rebate Program
17 in the State of California."

18 So, thank you very much from the Commission, and I
19 would like to read off the names of Controller's Office staff
20 now: Elizabeth Gonzalez - are you here? Thank you. Stella
21 Chin, Vance Hess, Dorothy Cottrill, Shirley Dong, Monte Hand,
22 Tim Johnson, Michael Yu, Lawrence Cheung, Erik Eid. That is
23 it, I understand. Did I miss anybody from the Controller's
24 Office team? Andy - Andrew Finlaysin? Oh, please, sorry
25 about that.

1 And on the Energy Commission staff, we have got
2 Lorraine White, our Program Manager, Peter Strait, Technical
3 Lead - Appliances, Amy Morgan, Steve Bonta, Donna Green,
4 Melanie Moultry, Bob Aldrich, Rajaram Bondu, Renee Webster-
5 Hawkins, Gabe Herrera, Mark Jones, Paula David, Rachel Grant,
6 Michael Wilson, Olena Bilyk, and Jerome Lee. Thank you
7 again, this allows us all to see what it really takes.
8 [Applause] We have a photographer read, Adam? So, please
9 come forward and stand in front of the podium.

10 COMMISSIONER EGGERT: Can I just -

11 CHAIRPERSON DOUGLAS: Please.

12 COMMISSIONER EGGERT: Just a real quick - I also
13 just wanted to express my thanks for your extraordinary
14 efforts. Having come into this program sort of right at the
15 implementation phase, it was actually quite remarkable how
16 quickly the team was able to adapt a system, changing
17 requirements, and actually on an ongoing basis, you know,
18 this program has continued to sort of adapt to be able to
19 deliver the best value to the State of California, the
20 residents of California. And I have actually heard it help
21 up as a model for other potential programs, including things,
22 for example, perhaps rebates for electrical vehicle charging;
23 sort of the combination of the website and the partner is a
24 really good model for future programs.

25 COMMISSIONER BYRON: As everyone is still

1 gathering, I will fill time. This really is the highlight
2 of the meeting, and I would like to thank you all personally,
3 very much, for your efforts on this program. It has been
4 very successful, and I think it is even going to be more
5 successful. So, thank you for your continued efforts, and
6 thank you for being here.

7 MS. CHANDLER: So this is the Cash For Appliances
8 Village.

9 CHAIRPERSON DOUGLAS: I would actually like to ask
10 Andy Finlaysin, if you could come forward and receive the
11 resolution?

12 MR. FINLAYSIN: The State Controller's Office would
13 like to thank the Energy Commission for being a good,
14 efficient, well-oiled team also. Without you guys, it would
15 not have been pulled off, either. So we consider this a good
16 team effort and we were happy to participate in this
17 successful program. Thank you. [Applause]

18 CHAIRPERSON DOUGLAS: Thank you. Thanks for being
19 here. Very well, and with that note of appreciation, we
20 really do like to take the time at business meetings to
21 recognize our partners because, if we learn nothing else in
22 the experience of administering ARRA funding, it is that
23 there is so much that other state energies have to contribute
24 to this effort, and in this program and others, it really
25 just would not have happened without their help and support.

1 All right, now, Commissioners, we will move
2 forward to Items 1B, C, and D. Mr. Pennington.

3 MR. PENNINGTON: Commissioner Eggert, did you want
4 to lead this item?

5 COMMISSIONER EGGERT: Yeah, sure, I guess I could
6 just open it and then, if there are things that I might have
7 missed or additional questions, Mr. Pennington can chime in.
8 I guess, the purpose for pulling these from consent and
9 moving them to a discussion item is to allow for a period of
10 time in which the previous software can be made available, or
11 continue to be made available, to those organizations that
12 are using it for projects that are underway, or have already
13 gotten underway. So, rather than having sort of a hard stop,
14 shifting from the old to the new, we would be allowing an
15 overlap of about a month, so this would extend the
16 certification of the older versions out to July 31st. It is
17 not a delay of approval for the new ones, it is just an
18 extension of certification for the old, and we have received
19 previously comments from folks in the industry that this
20 would be very helpful for their operations. Is there
21 anything to add, Mr. -

22 MR. PENNINGTON: No, that is very good. Thank you.

23 CHAIRPERSON DOUGLAS: All right, we have a member
24 of the public who would like to speak. Bob Raymer.

25 MR. RAYMER: Thank you, Madam Chair and

1 Commissioners. I am Bob Raymer, Senior Engineer and
2 Technical Director for the California Building Industry
3 Association. And I would just like to indicate our support
4 for the approval of both MICROPAS 8.1, Energy Pro 5.1, and we
5 would also like to support the decertification of the
6 previous versions on July 31st. Given the technical
7 complexities of these programs and the interaction, the
8 numerous algorithms without these programs -- and there are a
9 great many -- it has come to be expected over these many
10 years that bugs will pop up on occasion and need to be
11 addressed. I am sure that the vendors have burned the
12 midnight oil trying to get this up and running on time,
13 however, when you consider the fact that approximately 98
14 percent of all new homes in California use one of these
15 programs as the chosen method of compliance, you begin to see
16 just how important it is for industry and the design
17 community to have access to these certified programs at least
18 six to nine months in advance. And we will be doing
19 everything we can in working with the Energy Commission as we
20 develop the next set of regulations to make sure that we do
21 have access to these certified programs well in advance of
22 the effective date. So, once again, thank you very much for
23 this.

24 CHAIRPERSON DOUGLAS: Thank you. And so,
25 Commissioner Eggert, maybe you could describe, or you could

1 say explicitly what you are suggesting, what changes you
2 suggest we make to Items B and C.

3 COMMISSIONER EGGERT: Yeah, so, again, thank you,
4 Mr. Raymer for your input on this item. So the specific
5 recommendation is to modify the date where it says this
6 action includes the decertification of Energy Pro 5.0 for
7 Item B, which has an interim approval until June 30th, to
8 modify that to extend it to July 31st.

9 CHAIRPERSON DOUGLAS: July 31st, 2010.

10 COMMISSIONER EGGERT: Yeah.

11 CHAIRPERSON DOUGLAS: And is it the same change in
12 Item C, then, extended that date to July 31st, 2010?

13 COMMISSIONER EGGERT: That is correct.

14 CHAIRPERSON DOUGLAS: All right. And are there any
15 changes that you would like us to consider for Item 1D?

16 COMMISSIONER EGGERT: As I understand, even though
17 it does not expressly reference it here in this summary, I
18 believe that, in the extended discussion, it also talks about
19 a June 30th date, as well, so we would be extended that to
20 July 31st.

21 CHAIRPERSON DOUGLAS: All right, so we will
22 explicitly be extended that to July 31st, in Item 1D. Are
23 there any questions or other comments from Commissioners?

24 COMMISSIONER BYRON: None.

25 CHAIRPERSON DOUGLAS: All right, do we have a

1 motion?

2 COMMISSIONER EGGERT: I will move the item.

3 COMMISSIONER BYRON: And I will second it.

4 CHAIRPERSON DOUGLAS: All in favor?

5 (Ayes.)

6 Item 1B, C and D are approved as amended. Thank
7 you.

8 COMMISSIONER BYRON: Mr. Raymer, thank you for
9 being here today, very helpful.

10 CHAIRPERSON DOUGLAS: Item 2. Sacramento Municipal
11 Utility District. Possible approval of Contract 400-09-023
12 for \$19,969,421 with Sacramento Municipal Utility District to
13 develop and deliver a program for energy efficiency audits
14 and home performance retrofits in the Sacramento region. Ms.
15 Lam.

16 MS. LAM: Good morning, Chairman Douglas and
17 Commissioners. I am Helen Lam in the Efficiency and
18 Renewables Division.

19 COMMISSIONER BYRON: Ms. Lam, is your microphone
20 on?

21 MS. LAM: Okay, I think this should work better.
22 The SMUD contract before you today is the 11th of 12 SEP 110
23 contracts to come before the Commission for approval. With
24 its approval, the Commission will have approved all four SEP
25 funded residential retrofit program contracts. This is a

1 request for the approval of a contract for approximately
2 \$19.97 million in ARRA funds to implement and deliver a
3 multi-component home performance program in the Sacramento
4 region, including the Cities of Rancho Cordova, Citrus
5 Heights, Elk Grove, Folsom, and Galt. SMUD and its partners
6 will provide approximately \$27.7 million in leveraged
7 funding. This amount does not include any anticipated
8 program incentives by the investor-owned utilities of the
9 portion of the retrofit costs to be paid for by the
10 participating homeowners. If included, however, then the
11 total leveraged funding in both public and private funds will
12 come to a total of \$69.2 million.

13 This program will provide HERS 2 audits and/or home
14 performance retrofits to 15,150 single-family and multi-
15 family homes in the region. In addition to the Tier 1, 2 and
16 3 approaches under California Comprehensive Residential
17 Building Retrofit Program, Home Performance will leverage
18 \$8.8 million from the Sacramento Housing and Redevelopment
19 Agency through DOE's Neighborhood Stabilization Program
20 Grant, and \$1.5 million from the Community Resource Project
21 through Weatherization Funding, to make energy efficiency
22 retrofits to the homes of low and moderate low income
23 Sacramento residents. The program will develop a training
24 partnership with the Sacramento Employment Training Agency
25 and the Los Rios Community College District to train

1 contractors in auditing and building performance science.
2 Residential training and certification will conform to the
3 National Home Performance with Energy Star Program
4 Guidelines, Building Performance Institute Standards, and
5 HERS 2 requirements. With the leverage of \$600,000 from
6 Council Through America Cooperative Agreement with the
7 Department of Energy Home Performance for Neighborhood will
8 deliver both a proscriptive approach and a performance-based
9 approach to retrofit homes and target neighborhoods in
10 Sacramento. The Home Performance for Multi-Family will pilot
11 a comprehensive multi-family retrofit model, which achieves
12 an initial 20 percent savings and provides a blueprint to
13 obtain up to 40 percent savings through a multi-year
14 investment plan. The program will develop a sophisticated
15 marketing program, founded on SMUD customer research to
16 foster ongoing awareness, education, consideration, and
17 participation in all levels of the Home Performance Program.
18 In parallel with the program, a property tax base AB 811
19 financing program will be implemented in the region to
20 facilitate Home Performance Program participation.

21 SMUD estimates the program will create 1,148 jobs
22 based on Department of Energy's provider formula and save 22
23 gigawatt hours of electricity and 1.2 million Therms of gas
24 savings per year. Based on these estimated energy savings,
25 the program is expected to reduce greenhouse gas emissions by

1 16,756 tons of CO₂ equivalent annually.

2 I request your approval of this contract with SMUD.

3 MS. JONES: And I would just like to clarify the
4 amount for the record. The contract is for \$19,969,421.

5 Thank you.

6 CHAIRPERSON DOUGLAS: Thank you. Questions or
7 comments, Commissioners?

8 COMMISSIONER BYRON: I was trying to do some quick
9 math here on my calculator. Ms. Lam, this is an
10 extraordinary project. I do not have the other three in
11 front of me that we have already approved for comparison, but
12 what is not to like about this project? I think we need to
13 give credit where credit is due, all the participants in this
14 - and I understand that this was clearly the top contract in
15 your evaluation in response to the request for proposals. Is
16 that correct?

17 MS. LAM: That is correct and, also, this is the
18 largest dollar amount.

19 COMMISSIONER BYRON: You know, SMUD just continues
20 to show us innovative management and serving the needs of
21 their customers. This is a great example of the kinds of
22 projects that I think serve the community so well. I do not
23 know where to even begin in terms of its benefits. So a
24 couple of questions if I may.

25 MS. LAM: Sure.

1 COMMISSIONER BYRON: Will there be a way of
2 measuring these projected savings? I mean, 20 percent
3 initial savings is extraordinary. I was trying to do some
4 calculations while you were speaking. Is there a way to
5 measure this in terms of, indeed, the net effect that this
6 will have on a household basis? And also, is there a way to
7 measure afterwards if this will improve the sale of these
8 homes?

9 MS. LAM: Well, in terms of QA process for the
10 multi-family, the 20 percent savings, obviously the
11 augmentation to the HERS 2 rating tools will need to be
12 implemented in order to calculate a savings.

13 COMMISSIONER BYRON: All right, we will take care
14 of that.

15 MS. LAM: Yes. So they will have testing and test
16 out requirements, so you go in and basically get the baseline
17 energy features of the home, come up with a list of
18 recommendations for the retrofits, and then, once
19 implementation is completed, then a HERS 2 Auditor will go in
20 and do the post-retrofit evaluation to determine the
21 percentage of savings.

22 COMMISSIONER BYRON: And I am sure that that will
23 be satisfactory and successful, but when these homes are
24 sold, or put back into the market, is there any way to
25 evaluate if it improved their sale value? You know, that

1 they moved faster than other homes, if you will? Because
2 what we are interested in here is obviously setting an
3 example, a demonstration that is this large could have a
4 significant impact on consumer attitude towards energy
5 efficiency in the purchase of their home.

6 MS. LAM: Absolutely. And then that is why they
7 will have an aggressive marketing campaign to educate the
8 consumers about the benefits of energy efficiency upgrades,
9 and I think that people are getting the message, but we still
10 need a lot of work out there to educate the consumers as to
11 what home energy audits will do for them, you know, how they
12 can live in the home more comfortably, and then also save on
13 their energy bills each month.

14 COMMISSIONER BYRON: Well, thank you and everyone
15 involved in this project for bringing us such an excellent
16 project. I am certainly in favor of it.

17 CHAIRPERSON DOUGLAS: Thank you, Commissioner. I
18 realized I have a card from a member of the public. I would
19 like to ask Vince Sugrue to come forward, please, Sheet Metal
20 Workers Local 104.

21 MR. SUGRUE: Thank you, Madam Chair and the
22 Commission. I am an intern at 104, this is my first time
23 here, and this is a really fun meeting, so thank you. So,
24 essentially, SMACNA and Sheet Metal Workers 104 would like to
25 really support this paper and, yeah, one of the main things

1 we would like to stress is the workforce and facility
2 development training, we think that is very important because
3 the Sheet Metal Workers 104 has four facilities throughout
4 the Valley, and it is very important to support such a thing.
5 Also, Mr. Byron, what you said, there is nothing to not like
6 about this; it is a very strong project. Finally, we would
7 like to compliment on implementing the Davis-Bacon Act, which
8 discusses the prevailing wage and such, so, thank you.

9 COMMISSIONER BYRON: Mr. Sugrue, I have always
10 understood an intern to be a euphemism for someone that is
11 not paid, I hope you are paid.

12 MR. SUGRUE: Actually, I am.

13 COMMISSIONER BYRON: Good.

14 MR. SUGRUE: But this is fun.

15 COMMISSIONER BYRON: Thank you for coming.

16 CHAIRPERSON DOUGLAS: Thank you so much for being
17 here. Commissioner Eggert.

18 COMMISSIONER EGGERT: Thank you, Madam Chair. I
19 want to echo, I mean, this is a program that does have it
20 all, and I think that is why it really sort of floated to the
21 top in the evaluation of all the projects that were
22 considered. You know, it links workforce development; it
23 starts to implement our auditing program. But, actually, I
24 did have a question related to Commissioner Byron's question.

1 Does this include providing the rating to the MLS Listing
2 for the real estate?

3 MS. LAM: That is what is planned for, so the
4 contractor, SMUD, will be working with the real estate
5 community to incorporate the HERS information into the MLS.

6 COMMISSIONER EGGERT: Excellent, so this will be,
7 Commissioner Byron, this will be one mechanism by which
8 consumers, people looking to purchase the house, will start
9 to be able to have that information through the real estate
10 listings, to be able to have information about the
11 efficiency of the building. I think, also, the fact that
12 this includes some pilot activities on multi-family and,
13 again, yeah, these savings estimates are really quite
14 impressive and it will be interesting to see how well they
15 are able to achieve that. The leverage is tremendous, so I
16 think this is going to be enormously useful to testing a lot
17 of the different elements of what we think we are going to
18 need to have a successful roll-out of AB 758, which I know
19 is a new rulemaking that is just getting underway this year.
20 So, looking forward to the project and I think it is a great
21 testament of what we can do, and we think creatively, and we
22 really challenge the folks out there to come up with
23 innovative programs.

24 CHAIRPERSON DOUGLAS: Thank you, Commissioner.
25 And I would also like to thank staff for its hard work and

1 SMUD and the many partners who put this proposal together
2 because it is a very exciting proposal. A motion?

3 COMMISSONER EGGERT: I will move the item.

4 COMMISSIONER BYRON: Second.

5 CHAIRPERSON DOUGLAS: All in favor?

6 (Ayes.)

7 Item 2 is approved. Thank you, Ms. Lam.

8 MS. LAM: Thank you very much.

9 CHAIRPERSON DOUGLAS: Item 3. California
10 Alternative Energy and Advanced Transportation Financing
11 Authority. Possible approval of Contract 600-09-013 with
12 the California Alternative Energy and Advanced
13 Transportation Financing Authority (CAEATFA) to reduce the
14 amount funded from \$100 million to \$51 million. Mr.
15 Rillera.

16 MR. RILLERA: Good morning, Chairman and
17 Commissioners. Larry Rillera with the Fuels and
18 Transportation Division. Staff is seeking approval of two
19 separate actions today with respect to AB 118 financing
20 assistance through the State Treasurer's Office. Over the
21 past year, staff has been working with the State Treasurer's
22 Office to provide financing assistance and program
23 administration. The Treasurer's Office would do this
24 primarily through the California Alternative Energy and
25 Advanced Transportation Financing Authority, otherwise known

1 as CAEATFA. CAEATFA has requisite authority and expertise
2 that enable eligible AB 118 participants to participate in
3 various funding programs and financing programs. This
4 financing is consistent with the objectives of the AB 118
5 program and the Investment Plan.

6 On April 6th, 2010, the CAEATFA Board approved a
7 Master Interagency Agreement with the California Energy
8 Commission to establish the basis for this financing
9 program. On April 7th, 2010, the Commission approved the
10 Master Interagency Agreement; however, the Master
11 Interagency Agreement has not been fully executed. CAEATFA
12 has undergone significant organizational changes and has
13 recently been tasked with leadership responsibilities for
14 two new state policies that have essentially rendered the
15 use of the Master Interagency Agreement less useful than was
16 originally conceived. As a result, staff for CAEATFA and
17 the Energy Commission have collaboratively developed a Plan
18 B. Plan B would accelerate the development of separate
19 agreements under the State Treasurer's Office to provide
20 financing assistance to support eligible AB 118 participants
21 for recently issued solicitations.

22 Staff seeks Commission approval on Item 3 to
23 reduce the funds in the Master Interagency Agreement from
24 \$100 million to \$51 million. Forty-nine million dollars
25 would be used to fund two separate agreements with the State

1 Treasurer's Office. Staff also seeks Commission approval
2 on a second Action Item, Item 4, to approve an agreement
3 with CAEATFA, to provide financing assistance for the
4 California Producer Incentive Program. Staff would ask the
5 Commission support to approve Item 3 to reduce the amount
6 funded in the agreement 600-09-013 from \$100 million to \$51
7 million.

8 CHAIRPERSON DOUGLAS: Thank you, Mr. Rillera and
9 thank you for the detailed explanation of what is going on
10 with the structure of this agreement. Commissioners, do you
11 have questions or comments?

12 COMMISSIONER BYRON: I have an arithmetic
13 question. I am reading from the material that was provided
14 me in the memo from June 14th, so please allow me to get to
15 my question. it says, "Of this amount," of the \$49 million,
16 "...\$6 million will be initially transferred to the CEPIP, and
17 there will be provisions," I believe that was Phase 1A,
18 "...and there will be provisions that will authorize the
19 subsequent allocation up to \$9 million." So we get to \$15
20 million, and then the next item? Is that correct?

21 MR. RILLERA: Yes, Commissioner.

22 COMMISSIONER BYRON: So why are we calling out
23 these two separate amounts here? I am not sure I am
24 following the reason for -

25 MS. JONES: The original contract was an "up to"

1 \$100 million, of which we had planned to spend about \$40 in
2 this fiscal year, so the disencumbrance [sic] is for that
3 difference there, and what we are encumbering into Item 4
4 is, again, "up to" \$15 million.

5 COMMISSIONER BYRON: Okay, and did you say
6 "disencumbering?"

7 MS. JONES: Yes.

8 COMMISSIONER BYRON: Is that a word?

9 MS. JONES: I heard finance people use it, so....

10 COMMISSIONER BYRON: So, disencumber should be -
11 we are cumbering these funds, then?

12 MS. JONES: We are disencumbering and then re-
13 encumbering.

14 COMMISSIONER BYRON: All right, thank you.

15 COMMISSIONER EGGERT: And I guess, actually, just
16 maybe for further clarification, as I understand it, you
17 might even consider, in other parlance, the 15 is sort of
18 the authorization and the 6 is the actual appropriation, so
19 the \$6 million is sort of real dollars, the "up to \$15" is
20 sort of what the interagency would be authorize to expend,
21 and then that will be discussed in Item 4 in more detail.
22 Is that right?

23 MR. RILLERA: Yes, Commissioner.

24 COMMISSIONER BYRON: Madam Chair, I am prepared to
25 move the item. I move Item 3 for Commission approval.

1 COMMISSIONER EGGERT: Second.

2 CHAIRPERSON DOUGLAS: All in favor?

3 (Ayes.)

4 Item 3 is approved. Mr. Rillera, Item 4.

5 California Alternative Energy And Advanced Transportation
6 Financing Authority. Possible approval of Contract 600-09-
7 017 for up to \$15 million.

8 MR. RILLERA: Over the past year, staff has been
9 working with the Treasurer's Office to provide financing
10 assistance for eligible AB 118 participants. Item 3, just
11 discussed, would reduce funding in the original agreement
12 from \$100 million down to \$51 million. Staff would ask for
13 the Commission's support to approve Item 4, to approve an
14 Interagency Agreement with CAEATFA, to provide financing
15 assistance for the California Producer Incentive Program.
16 Six million dollars would be encumbered in this Interagency
17 Agreement, initially.

18 CHAIRPERSON DOUGLAS: Thank you. I think we have
19 already discussed this one. Any additional questions or
20 comments?

21 COMMISSIONER BYRON: Madam Chair, I move approval
22 of Item 4.

23 COMMISSIONER EGGERT: Second.

24 CHAIRPERSON DOUGLAS: All in favor?

25 (Ayes.)

1 Item 4 is approved. Thank you.

2 Item 5. Electric Transportation Engineering
3 Corporation. Possible approval of Grant Agreement
4 ARV-09-005, awarding \$8 million to Electric Transportation
5 Engineering Corporation for the Nissan Electric Drive
6 Vehicle Demonstration and Vehicle Infrastructure project.
7 Ms. Allen.

8 MS. ALLEN: Good morning, Chairman Douglas and
9 Commissioners. The next three projects that are listed, 5,
10 6 and 7, are the result of Program Opportunity Notice 08-010
11 that was issued to seek projects that were going for
12 American Recovery and Reinvestment Act dollars, and the
13 Energy Commission provided Letters of Intent and then funded
14 the projects that were successful at the Federal level, so
15 this first one was successful with the Transportation
16 Electrification solicitation, and this is with Electric
17 Transportation Engineering Corporation. We are seeking
18 approval to enter into an agreement with them for \$8
19 million. This would provide the infrastructure support for
20 the Nissan Leaf rollout in the San Diego area, and so we
21 would be providing 1,000 home chargers up to 1,300
22 commercial chargers, and then there would be 60 direct
23 charge units that would be placed on the corridors between
24 the San Diego area and the Los Angeles area. Since we
25 started working on this project, developing the agreement

1 with this project, we found out that the Department of
2 Energy has provided additional dollars to expand this
3 program to Los Angeles, so there will also be a rollout
4 associated for the Los Angeles area, so this project will
5 also - the direct chargers in the corridors between Los
6 Angeles and San Diego will also be going to support the
7 rollout of vehicles in the Los Angeles area. The commercial
8 and the direct charge units will also be supporting the
9 proposed rollout of an additional 5,000 vehicles within the
10 next three years. So staff recommends funding.

11 There is a leverage of funding for just the San
12 Diego area, we are leveraging about \$39.4 million from the
13 U.S. Department of Energy in ARRA funding, and then we are
14 also leveraging a private match of \$32.6 million.

15 CHAIRPERSON DOUGLAS: Thank you, Ms. Allen, and
16 those are obviously really impressive leverage numbers.
17 Commissioner Eggert?

18 COMMISSIONER EGGERT: Sure, just a couple of
19 comments. I am glad you pointed out the leverage. I think
20 this is definitely one of the success stories of our efforts
21 to use our 118 money to leverage both private and federal
22 dollars, and you know, the fact that we were able to turn \$8
23 million into what is approximately about \$80 million - is
24 that right? Almost. A 10:1 leverage if really quite
25 tremendous, and I think the fact that they are now expanding

1 this program to Los Angeles, which I think is fairly recent
2 news, is going to be a great demonstration of electric
3 vehicle infrastructure in the vehicles that will actually
4 utilize this. I will say, I actually had a good
5 conversation with one of the program leads from ETEC and
6 they are looking forward to working with us to make sure
7 that this infrastructure is rolled out in a strategic manner
8 that matches the needs of the customers, so for the regions
9 and the consumers that are buying these vehicles, there are
10 components of both home charging, public charging, different
11 types of public charging destinations, different levels,
12 including the fast charging. So I think we are going to
13 learn a tremendous amount about the needs for
14 infrastructure, the way that consumers use that
15 infrastructure, and that is going to really sort of inform
16 future activities under the 118 program as it relates to EV
17 infrastructure in the state. So very much looking forward
18 to seeing this program as it rolls out, and I think we have
19 got an excellent example of a project here that we have been
20 able to turn the 118 dollars into quite a bit more than we
21 would have been able to do on our own.

22 MS. ALLEN: Yes, and if the preliminary interest
23 in these vehicles is any indication, these chargers will
24 have quite an extensive use both between Los Angeles and San
25 Diego and the San Diego area.

1 COMMISSIONER EGGERT: Yeah, the other impressive
2 aspect of this is the level of data collection that is being
3 applied, both on the vehicle side and on the charger side,
4 is going to be substantial. We are going to know when they
5 charge, how much use they take, we will be able to match
6 that against individual consumers who will understand the
7 behavior more precisely, so they are going to guide future
8 investments.

9 MS. ALLEN: Yes. One of the important things
10 about this project is that the home chargers will also be
11 Smart Chargers, so they will have all of the additional
12 features that will allow the utility control and data
13 collection for time of use, or for the ability to either
14 diminish the charge, or to turn it off altogether if there
15 is a need to do so, and then to bring it back up again. So
16 the chargers that are put in by Nissan, were Nissan to be
17 the ones to use their chargers associated with the vehicles,
18 those are not Smart Chargers and do not have that ability.

19 COMMISSIONER BYRON: Excellent. This last
20 discussion helps answer a couple of my questions. I think I
21 have got one last question, and that is - that is good, that
22 is very helpful, but I think you indicated there is up to 60
23 corridor charges, as well.

24 MS. ALLEN: Yes, correct.

25 COMMISSIONER BYRON: That is always a curious

1 question to me. Who pays for the electricity on those?

2 MS. ALLEN: Right now, they will be offered for -
3 I think with the preliminary project, they will be offered
4 as a service by the property owner.

5 COMMISSIONER BYRON: Meaning it will be free?

6 MS. ALLEN: Meaning it will be free, yes.

7 COMMISSIONER BYRON: That is kind of the way the
8 commercial charges will be, as well?

9 MS. ALLEN: Yes, correct.

10 COMMISSIONER BYRON: People drive their cars up
11 and plug them in?

12 MS. ALLEN: Yes. And for the 1,300 commercial
13 charges, that is actually an advantage to the property owner
14 because, if they can, for example, at a shopping mall, if
15 they can get the customer to stay there for a little bit
16 longer, whatever they gain from the cost of the electricity,
17 they figure they make up in additional sales by the
18 additional time stayed at the site.

19 COMMISSIONER BYRON: Yeah, interesting side
20 effects to all of this. But I am concerned about how this
21 affects consumer behavior, as well, you know, the notion
22 that electricity is free, and it does not matter when you
23 plug it in, if you are going shopping in the middle of the
24 day, and you are using energy at the times when - I should
25 say, you are using energy to charge a vehicle at the time of

1 day when it may be the most expensive, actually. So,
2 consumer behavior issues are very important here, it is not
3 a knock on the project at all, I am very keen on the
4 project, but I just want to be conscious of the fact that we
5 want to make sure we capture consumer behavior and influence
6 it in a way that we are trying to modify the behavior such
7 that people understand electricity is not free. We are
8 trying to move these things to be charging during off-peak
9 hours. Commissioner Eggert, I suspect, wants to add to
10 this.

11 COMMISSIONER EGGERT: I think you are right. And
12 I think we are going to see a variety of different business
13 models that will emerge from some of these demonstration
14 activities. Somewhere there will be basically the charging
15 providing as an enticement to consumers, to bring them in.
16 Of course, the owner of the infrastructure will still have
17 to pay, so it will be made up for in the cost of your latte
18 or some other thing that is being sold by that particular
19 company. The utilities are a really strong partner in this
20 program, SDG&E and Sempra, and they are extremely interested
21 in those exact same questions because I think, for purposes
22 of improving the grid reliability and efficiency, they are
23 interested in how to move people towards off-peak charging,
24 and the fact that these are sort of smart chargers that are
25 being deployed, having some level of control, this has the

1 ability to be a scheduled load for them to be able to make
2 better use of their generating capital, including
3 intermittent renewables. So I think those elements of this
4 program are going to be ones that we are going to want to
5 look at quite closely.

6 COMMISSIONER BYRON: Yeah, hats off to San Diego
7 Gas & Electric, I have seen some recent presentations by
8 executives, they fully understand the opportunity here with
9 consumers and also the potential impact this could have on
10 the system, but they are, let's say, preparing for the
11 onslaught of electric vehicles, and it does represent a
12 challenge to grid operators. But that is really a side
13 issue to what we are talking about here today. I think this
14 is a very good project and I am very much in favor of it.

15 CHAIRPERSON DOUGLAS: I would just like to add,
16 this has been a great discussion. I am excited to see this
17 investment in new infrastructure and I am looking forward to
18 seeing a map and public information becoming available for
19 what this charging infrastructure looks like, and where it
20 will be concentrated. I think, obviously, we are trying to
21 get sufficient infrastructure out on time to match with
22 vehicle rollouts so that, when consumers consider buying an
23 electric vehicle, they will know that if they cannot make it
24 back to their home charger, and because they are going out
25 on a long trip, or because they are doing extra errands,

1 whatever it may be, that they have options for charging to
2 get back home. So, having this investment made and the
3 information available for where to charge is going to be
4 important and very helpful in this market. I am also
5 tremendously pleased at the leverage and tremendously
6 pleased at the way this is allowing us to invest in our
7 infrastructure at a time like this, and I think this is
8 really going to help move this forward in a lot of ways.

9 COMMISSIONER EGGERT: I would like to move the
10 item.

11 COMMISSIONER BYRON: Second.

12 CHAIRPERSON DOUGLAS: All in favor?

13 (Ayes.)

14 This item is approved.

15 Item 6. Coulomb Technologies. Possible approval
16 of Grant Agreement ARV-09-007, awarding \$3,417,000 to
17 Coulomb Technologies to provide 1,667 networked electric
18 vehicle charging stations to the San Francisco, Sacramento
19 and Los Angeles regions. Ms. Allen.

20 MS. ALLEN: This project was also funded through
21 the Transportation and Electrification solicitation from
22 Department of Energy. This will be new chargers that will
23 be installed in the three areas that were identified, San
24 Francisco, Sacramento, and Los Angeles. They will be
25 working in conjunction with the other projects that are

1 dealing with electric vehicle infrastructure installations,
2 so we will be working very closely with this company to make
3 sure that these stations are sited properly and in response
4 to where the vehicles are and vehicle rollouts, and
5 additional charging infrastructure projects that are ongoing
6 within the same area. And this has a match of \$3.354
7 million from American Recovery and Reinvestment Act funds,
8 and then there is an additional private match from Coulomb
9 of \$508,000 for this project.

10 CHAIRPERSON DOUGLAS: Thank you. Questions,
11 Commissioners?

12 MS. ALLEN: These are also Smart Chargers, so
13 these will all have the ability to be controlled or to come
14 up with some kind of payment mechanism from the utility
15 areas.

16 COMMISSIONER EGGERT: So I guess just a quick
17 comment. You know, the fact that, for this effort, we have
18 basically the beginning of a good network being established
19 in Northern California, the previous program obviously
20 focused on San Diego and L.A., and I note - I am trying to
21 remember if we have another significant infrastructure
22 project through Clipper Creek.

23 MS. ALLEN: Yes. That is strictly upgrades.

24 COMMISSIONER EGGERT: Yeah, so that actually will
25 take advantage of all the previous infrastructure that was

1 available throughout the last, I guess, things that have
2 been installed over the last 20 years, basically to upgrade
3 those to the most modern standards. So, we should be in a
4 really great position to be a leader in the deployment of
5 these vehicles because we have sort of been out front in
6 creating the infrastructure to enable that deployment. So
7 this is, again, another great program, great leveraging, and
8 it is matched with some of the auto makers that are planning
9 on bringing these vehicles to the state. So it is a good
10 design.

11 COMMISSIONER BYRON: I was not aware of the
12 matched funding from the information provided earlier, that
13 is excellent to hear. Will these charging stations - the
14 material indicates the utilities will have the opportunity
15 to monitor and control peak usage times - will these have
16 the same control and monitoring capabilities that you
17 discussed in the Southern California installations?

18 MS. ALLEN: Yes, Coulomb Technologies, their
19 charging infrastructure system has the very sophisticated
20 Smart Chargers associated with it, so it will also have the
21 mechanism put into place that, should we work out the
22 details of actually being able to get charged back to your
23 own utility district, regardless of where you are charging,
24 it will have the ability. There is data collection
25 capabilities with these chargers, these are very

1 sophisticated chargers.

2 COMMISSIONER BYRON: Excellent. I think that is
3 the path we need to head down, the same path the cell phone
4 industry figured out a long time ago, how to bill customers.
5 Madam Chair, I am prepared to move the item.

6 COMMISSIONER EGGERT: Second.

7 CHAIRPERSON DOUGLAS: All in favor?

8 (Ayes.)

9 This item is approved.

10 Item 7. Department Of General Services. Possible
11 approval of Grant Agreement ARV-09-006, awarding \$4 million
12 to the Department of General Services, in partnership with
13 Propel Fuels, to build 75 ethanol (E85) dispensers at
14 publicly accessible fueling stations throughout California.
15 Ms. Allen.

16 MS. ALLEN: This project will be through the
17 Department of General Services, but the primary
18 subcontractor to do the work will be Propel Fuels, and they
19 have identified 75 public fueling sites that they will be
20 installing E85 dispensers, and these will be throughout
21 California. And this was funded under the Clean Cities
22 solicitation of Department of Energy, and Department of
23 Energy is going to be providing -- for our \$4 million, they
24 will be providing \$6.917 million, and this has a very large
25 private investment of \$16.26 million for these dispensers.

1 Propel has a very interesting business model for their E85
2 dispensers, they actually cannot do multi-fuel stations,
3 they choose existing gasoline and diesel stations to put
4 their dispensers in, so that they do not have to do any
5 groundbreaking, so that the infrastructure that they need
6 for their system is already in place, and their dispensers
7 have the capability for data collection. And then we also
8 have, as a business model, they have a very strong education
9 portion to their business model in getting the word out to
10 people that have fuel flexible vehicles, that E85 is
11 available where it is available, and how to use it.

12 CHAIRPERSON DOUGLAS: Great, thank you. And,
13 again, I see another really good leverage number, so -

14 MS. ALLEN: Yes, very good leverage numbers on
15 this one.

16 CHAIRPERSON DOUGLAS: Comments or questions,
17 Commissioners?

18 COMMISSIONER BYRON: Well, of course, after
19 talking about the electrical charging station, these are not
20 quite as romantic and interesting, but nevertheless, this is
21 a good thing to see, seeing how few E85 stations we
22 currently have in California. It is difficult - and I did
23 not know about the co-funding, as well, that is - no, there
24 it is, I am sorry, I missed it on this one. But, by my
25 math, if I were to just do simple add up the dollars and

1 divide by 75 stations, it is a third of a million dollars
2 per station. Is that about right?

3 MS. ALLEN: Yes.

4 COMMISSIONER BYRON: And I know there is a lot
5 more in there than just installing these, but that is a
6 pretty significant cost associated with these installations.
7 Am I understanding that correctly?

8 MS. ALLEN: Well, that also includes the education
9 portion and all of the other things that go along with the
10 data collection, and these are stations that are - they
11 extend the canopy of existing fueling stations, so that it
12 appears to be all one integrated, you are not going to a
13 separate area at a gasoline station to do your E85 fueling.

14 COMMISSIONER BYRON: Understood. Well, and so
15 that does represent perhaps the full cost associated with
16 making these kinds of transitions.

17 MS. ALLEN: Right.

18 COMMISSIONER BYRON: It might also explain why
19 there are so few E85 refueling stations at this point, but
20 this is a good addition.

21 COMMISSIONER EGGERT: Again, I just wanted to
22 point out, too, that there is a commitment from Propel to
23 optimize and use the fuel and feedstock from California,
24 including I think even trying to pursue the second and third
25 generation biofuels when they become available, like the

1 cellulosic ethanols. And so that is going to help us meet
2 our goals for in-state bioenergy and biofuel production. I
3 was going to wait until the end to mention this, but I did
4 want to say there was a summit that was held last week that
5 the Governor convened, some of the sort of leading
6 executives that are involved in deploying clean fuels and
7 vehicles in the State, and it actually included the CEO of
8 Coulomb, the previous company we just discussed, and it
9 included the CEO of Propel, and they said a number of things
10 about why they were doing business in California, and if I
11 add the three top, the first one was sort of a durable
12 policy framework that related to sort of clean energy, and
13 that included things like AB 32 and the Low Carbon Fuel
14 Standard, and then, secondly, they said the support from the
15 California Energy Commission's AB 118 program, and said that
16 the way we have designed this program, and the way we are
17 facilitating the deployment of the funds, has been
18 instrumental in their decision to continue to expand within
19 the state. So this was a really nice comment from some of
20 the leading organizations. And actually, even the ones that
21 did not get 118 money said good things about us, as well.
22 So that was encouraging. So I think I would like to move
23 the item.

24 COMMISSIONER BOYD: Second.

25 CHAIRPERSON DOUGLAS: All in favor?

1 (Ayes.)

2 The item is approved. Thank you, Ms. Allen.

3 Item 8. County Of Shasta. Possible approval of
4 Agreement 006-09-ECA for a loan of \$527,380 to the County of
5 Shasta to install two 125-ton chillers, nine packaged HVAC
6 units and controls, upgraded interior lighting and occupancy
7 sensor controls, and demand control ventilation systems. Mr.
8 Wang.

9 MR. WANG: Good morning, Commissioners. My name
10 is Joseph Wang with the Special Projects Office, and I am
11 the Project Manager for this loan. Shasta County is
12 applying for a \$527,380 loan to install these energy
13 efficiency projects in the County jailhouse, Coroner's
14 Office, Public House Building Complex, and the Cascade
15 Office Building. This loan will be used in conjunction with
16 the Small County Grant of \$480,664 from our Block Grant
17 Program, to fund the projects. The County will use the
18 money to install two new variable speed dry chillers and
19 nine packaged HVAC units, and they will also upgrade the
20 interior lighting, install LED in their lights, and
21 occupancy sensors. And the demand control ventilation
22 systems will be installed in its County garage and in the
23 kitchen to reduce energy use of the exhaust fans.

24 These projects will reduce the peak demand by
25 about 114 kW and save approximately \$52,500 annually with an

1 estimated payback of 10.8 years. These projects are also
2 estimated to reduce greenhouse gas emissions by about 176
3 tons annually, and this funding will be coming out of the 3
4 percent interest ECAA loans. And these projects meet the
5 criteria of the ECAA Loan Program, and staff is recommending
6 your approval of this loan. I would be happy to answer your
7 questions.

8 COMMISSIONER BYRON: Madam Chair, I would move
9 Item 8 for approval.

10 COMMISSIONER EGGERT: Second.

11 CHAIRPERSON DOUGLAS: All in favor?

12 (Ayes.)

13 Item 8 is approved. Thank you, Mr. Wang.

14 Item 9. Town Of Yountville. Possible approval of
15 Agreement 010-09-ECA for a loan of \$200,473 to the Town of
16 Yountville to upgrade lighting and HVAC systems at various
17 town owned facilities, upgrade building electrical systems
18 and insulation, retrofit streetlights, and replace motors at
19 the waste water treatment plant. Ms. Perrin.

20 MS. PERRIN: Good morning. My name is Karen
21 Perrin with the Special Projects Office, and this is a
22 request from the Town of Yountville for a loan to leverage
23 their Block Grant funds and implement a number of energy
24 projects. The total cost of this project will be \$225,473.
25 The loan request is for \$200,473, which will be ECAA funded

1 at an interest rate of 3 percent. The town leveraged their
2 EECBG Block Grant funds in the amount of \$25,000. They will
3 also expect to receive a rebate from PG&E, which will be an
4 estimated incentive rebate of approximately \$12,000. The
5 energy projects include the following: retrofitting street
6 lights with LED lamps, retrofits of lighting systems and
7 motion sensors, exit signs, and upgrading HVAC systems at
8 several town owned facilities, insulation and electrical
9 upgrades, and replacement of motors at their wastewater
10 treatment plant. Once completed, this will save the town
11 approximately \$21,000 annually in reduced energy costs, and
12 this project has a 9.5 simple year payback, and we expect to
13 remove 44 tons of carbon dioxide from the environment every
14 year. I am seeking your approval for this loan request.

15 CHAIRPERSON DOUGLAS: Thank you, Ms. Perrin. And
16 I will note that - I am quite impressed at how the Town of
17 Yountville appears to have taken the opportunity provided by
18 the Stimulus Act and the \$25,000 Block Grant to apparently
19 really assess what needed to be done, and could be done in
20 the town, and leverage it with a significantly larger ECAA
21 loan to make the wide ranging significant improvements.
22 This is a great example of ECAA and the Stimulus funding
23 working together. I am very pleased to see this.

24 COMMISSIONER BYRON: Yes, another one of the many
25 good projects brought before us. We do not comment on all

1 of them, but this and every other one that chose the
2 positive paybacks is certainly worthy of comment, however,
3 we will just probably continue to approve them without much
4 fanfare. Madam Chair, I move the item.

5 COMMISSIONER EGGERT: I will second it.

6 CHAIRPERSON DOUGLAS: All in favor?

7 (Ayes.)

8 This item is approved.

9 Item 10. ICF Consulting, LLC. Possible approval
10 of Contract 600-4709-018 for \$247,900 with ICF Consulting,
11 LLC to acquire background information and develop design
12 criteria for wind farms and related infrastructure
13 development in Baja California, Mexico. Ms. Crowell.

14 MS. CROWELL: Good morning, Chairman and
15 Commissioners. My name is Miki Crowell with the Special
16 Projects Office. I am here to request for approval a
17 \$247,900 CMAS contract with ICF Consulting to develop
18 wind farm design standards in Baja California, Mexico. The
19 contract term is from June 30th, 2010 to March 30th, 2012.
20 This project was developed as a result of the 2008 Board of
21 Governor's Conference Energy Work Table that recommended
22 development of a border program for renewable energy. In
23 early 2009, Border Energy staff met with Baja California's
24 Energy Commission Director to discuss potential
25 opportunities to collaborate on wind energy development and

1 export of green power from Baja California to our state.

2 Baja California does not have wind farm design
3 standards or coordinating infrastructure plans for
4 facilities such as transmission lines and substations, and
5 this is delaying approval of wind energy projects in Baja
6 California, which could serve California's renewable energy
7 market and are potentially eligible for the California RPS.
8 We developed this project in collaboration with the Baja
9 State Energy Commission to obtain background information
10 such as wind resource data and to program data necessary to
11 develop design criteria and standards for wind farm and
12 related infrastructure development in Baja California. And
13 I request your approval of this item. Thank you

14 CHAIRPERSON DOUGLAS: Thank you. Questions or
15 comments?

16 COMMISSIONER EGGERT: Just a quick comment. This
17 came through the Transportation Committee and, at first, I
18 was kind of curious as to why a wind project was coming
19 through the Transportation Committee, but I understand this
20 is part of a longstanding activity going on within the
21 Special Projects Division, and an opportunity to sort of
22 partner with our cross-border folks in Baja, to help them
23 develop their resources for renewables, specifically wind,
24 in a way that can actually deliver directly, you know,
25 electricity in the state. So, it looks like sort of moving

1 towards the conclusion of what seems to be a worthy
2 project.

3 COMMISSIONER BYRON: I am sure of Commissioner
4 Boyd were here, he would wax on for a while with regard to
5 cross-border relations and how this could be helpful, but I
6 do not want to put words in his mouth. Madam Chair, this
7 looks like a very positive project, information that is
8 needed to develop wind and would certainly benefit
9 California, so I would move approval of Item 10.

10 COMMISSIONER EGGERT: Second.

11 CHAIRPERSON DOUGLAS: All in favor?

12 (Ayes.)

13 Item 10 is approved. Thank you.

14 Item 11. Guidelines for Solar Electric Incentive
15 Programs. Possible approval of changes to the Guidelines
16 for California's Solar Electric Incentive Program. Mr.
17 Saxton.

18 MR. SAXTON: Good morning, I am Patrick Saxton
19 from the Efficiency and Renewable Energy Division. Staff is
20 requesting approval of the third edition of the Guidelines
21 for California's Solar Electric Incentive Programs, and the
22 proposed changes are time critical, but of limited scope.
23 They include a revised implementation date for a required
24 Inverter Integral Meter Accuracy Test and also modifications
25 to a field verification protocol for photovoltaic arrays.

1 And I can provide additional details on any of the proposed
2 changes that you would like. One item to note is that
3 stakeholders do have subjects beyond the scope of these
4 proposed changes which they would like to discuss, and staff
5 agrees, and a full workshop on the Guidelines will be
6 scheduled for later this year. Staff does recommend that we
7 approve the third edition of the Guidelines today.

8 CHAIRPERSON DOUGLAS: Thank you, Mr. Saxton.
9 Questions, Commissioners?

10 COMMISSIONER BYRON: I am pleased to hear there
11 will be a workshop for that discussion. Is there anyone
12 here today who wishes to make comment on this?

13 MR. SAXTON: I do not believe so. Only one
14 comment was received on the proposed changes, it was
15 positive and supportive, but it did request an additional
16 discussion at a later time.

17 COMMISSIONER BYRON: Thank you. Madam Chair, I am
18 prepared to move the item.

19 COMMISSIONER EGGERT: Second.

20 CHAIRPERSON DOUGLAS: All in favor?

21 (Ayes.)

22 Item 11 is approved.

23 Item 12. University Of California, Riverside.
24 Possible approval of Contract 500-09-051 for \$1.2 million
25 with the Regents of the University of California, Riverside

1 to conduct research and testing of various alternative
2 motor fuel formulations for California's transportation fuel
3 markets. Mr. Gonzalez.

4 MR. GONZALEZ: Good morning, Chairman Douglas and
5 Commissioners. My name is Reynaldo Gonzales. I am the
6 staff lead for PIER Transportation's Vehicle Technologies
7 focus area. Before you is a project titled "Alternative
8 Fuels and Vehicle Compatibility Research." This is a \$1.2
9 million natural gas funded interagency agreement with the
10 Center for Environmental Research and Technology Research
11 Facility, commonly referred to as CE-CERT, located at the
12 University of California at Riverside.

13 The State Alternative Fuels Plan recommends a
14 portfolio of alternative fuels, including alcohol fuels, to
15 achieve petroleum reduction goals and to reduce greenhouse
16 gas emissions. Major efforts worldwide are devoted to
17 expanding the production of all alcohol fuels. Thermal
18 chemical conversion is a key process in producing alcohol
19 fuels, and generally results in mixtures of various alcohols
20 or mixed alcohols. Separating the mixed alcohols into pure
21 alcohols such as ethanol requires an additional process and
22 results in increased fuel costs. Significant breakthroughs
23 in thermal chemical processes have resulted in the
24 feasibility of producing new mixed alcohol combinations more
25 economically and in quantity. Some of the benefits of using

1 mixed alcohols include higher energy content fuel that can
2 lead to the improved vehicle fuel efficiencies and lower
3 cost.

4 There is currently limited data evaluating the
5 compatibility and performance of mixed alcohol fuels with
6 legacy or near-term vehicle technologies. This project will
7 evaluate the compatibility of various mixtures of alcohol
8 fuels with various vehicle technologies, by performing
9 emission and fuel efficiency testing. This project is also
10 consistent with the AB 118 2010 and 2011 Investment Plan,
11 which mentions second generation biofuels, including mixed
12 alcohol fuels, as a likely strategy to meeting both the Low
13 Carbon Fuel Standard and Renewable Fuels Standard. This
14 project will establish a Technical Advisory Committee to
15 help guide the program. The Committee will include
16 membership of the California Air Resources Board staff and
17 the Energy Commission's Transportation Division staff will
18 also be invited to participate in the Technical Advisory
19 Committee.

20 The Air Resources Board and Transportation
21 Division staff contributed to the development of the
22 Statement of Work for this project. Two key objectives for
23 this project include deriving information through the
24 research that will remove barriers to increase the use of
25 alternative fuels and, secondly, to identify opportunities

1 to optimize certain vehicle technologies to take advantage
2 of the higher energy content in the mixed alcohol fuels.
3 Staff recommends approval of this project.

4 CHAIRPERSON DOUGLAS: Thank you. Questions or
5 comments?

6 COMMISSIONER EGGERT: Is Professor Norbeck - is he
7 still involved in CE-CERT?

8 MR. GONZALEZ: Yes, he is.

9 COMMISSIONER EGGERT: Okay. So, actually, when I
10 was - actually, my first job out of college at Ford, we had
11 a number of different interactions with the CE-CERT Lab and
12 Professor Norbeck, working on a lot of the same issues, you
13 know, trying to understand the emissions impact of various
14 vehicle Power Train and fuel combinations. And so I think
15 they have clearly built up an excellent Center of Excellence
16 on this topic over the years, so I think your choice of
17 laboratory is a good one. I would also note, this project
18 is going to be really important as we are moving towards
19 these different formulations of fuels, and make sure that we
20 are not backsliding on any of our environmental protections.
21 I am very happy to see that you have reached out both
22 internally with respect to bringing on board representatives
23 from the other divisions, as well as externally through the
24 ARB, both in the design of the program and the ongoing
25 oversight through the advisory committee. I think that is

1 going to provide some excellent governance and guidance to
2 the research activities. I guess, in terms of the suite of
3 fuels that is going to be evaluated, ethanol obviously in
4 different formulations and percentages, are you looking at
5 things like biobutanol, as well?

6 MR. GONZALEZ: The mixed alcohol primary fuels, or
7 ethanol, as you mentioned, propanol and butanol are also in
8 that category, there are also some secondary fuels, such as
9 isopropanol and pentanol.

10 COMMISSIONER EGGERT: And then you said, in terms
11 of the testing, it includes both sort of legacy older
12 engines, new engines, and FFV systems, as well?

13 MR. GONZALEZ: Correct.

14 COMMISSIONER EGGERT: And then what is the sort of
15 timeline of the output? When will we sort of start to see
16 the first results of the effort?

17 MR. GONZALEZ: This project is a three-year
18 project, and we hope to have some initial results within a
19 year to a year and a half.

20 COMMISSIONER EGGERT: Okay, excellent. That will
21 be very useful. Thank you.

22 COMMISSIONER BYRON: Madam Chair, you know,
23 California has a long history of doing research in this
24 area, and it is widely acknowledged worldwide in terms of
25 results and policy setting, and I am certain that this

1 project will fit into that category, as well. Mr. Misemer
2 has recently been briefing me a couple times on
3 transportation issues because I do not get the benefit of
4 attending Transportation Committee meetings, but I noticed
5 he is sitting at the table, is there a reason you are there?
6 Is it just to answer difficult questions? Or did you want
7 to add anything to this project?

8 MR. MISEMER: Phillip Misemer, Energy Research and
9 Development Division. No, Commissioner, this is a \$1.2
10 million project, it has many facets that span into both
11 vehicle technologies and fuel synthesis. Ray is providing
12 our expertise in Vehicle Technologies, my strength lies more
13 in the fuel synthesis, and I thought that there might be
14 opportunity to answer questions on either spectrum, so that
15 is why I am here.

16 COMMISSIONER BYRON: All right, well, thank you,
17 Mr. Gonzales, and Mr. Misemer, I am sorry I mispronounced
18 your name. Madam Chair, I am prepared to move the item for
19 approval.

20 COMMISSIONER EGGERT: I will second.

21 CHAIRPERSON DOUGLAS: All in favor?

22 (Ayes.)

23 This item is approved.

24 MR. GONZALEZ: Thank you.

25 CHAIRPERSON DOUGLAS: Item 13. Lawrence Berkeley

1 National Laboratory. Possible approval of \$6,750,000 for
2 Amendment 2 to Contract 500-03-026 with Lawrence Berkeley
3 National Laboratory Demand Research Center to continue
4 developing methods to determine and communicate electric
5 price information. Mr. Scruton.

6 MR. SCRUTON: Good morning, Commissioners. I am
7 Chris Scruton with the PIER Buildings Group, and the Demand
8 Response Research Center at Lawrence Berkeley Labs has been
9 working since 2004, and I wanted to mention a few of their
10 many accomplishments. They developed a data model called
11 Open ADR, which is essentially an open international non-
12 proprietary standard for communicating price information
13 over the Internet or by other means. And it has been
14 accepted as a foundational part of the Smart Grid at the
15 national level through NIST, the National Institute for
16 Standards and Technology. Other things they have done in
17 the end response of demand response, they have demonstrated
18 the capability of demand response in over 20 buildings where
19 they have shown an average load shed of approximately 10
20 percent, sometimes more, sometimes less, it depends on the
21 characteristics of the building, but often showing a load
22 shed capability of around 2 watts per square foot. They
23 developed the simulation tool that allows the estimation of
24 what that load shed capability will be. They have
25 demonstrated it in food processing facilities and in

1 refrigerated warehouses, which in California there is over
2 350. In some of the refrigerated warehouses, they have
3 shown load shed capability of over a megawatt for a four-
4 hour time period, with no detriment to the food storage
5 stored there. And most recently, they have been working
6 with the California Independent System Operator in ancillary
7 services, which is of great value for voltage and frequency
8 regulation on the grid, but requires a faster response, and
9 they demonstrated in three buildings in the Bay Area, and at
10 an industrial facility, that they could respond within one
11 minute and maintain that load shed, which I believe was
12 around 100 kilowatts for over a two-hour timeframe. So the
13 California ISO has been working closely with them, and is
14 very very interested in the potential of demand response for
15 meeting regulation needs.

16 So this proposed Amendment is proposed to be
17 funded through three PIER groups, the Energy Systems
18 Integration Group, the Buildings Energy Efficiency Group,
19 and the Industrial Agricultural and Water Group. It also
20 has over the next two years, it has got more than \$650,000
21 of confirmed cost share. And the areas that they are
22 proposing to work in, first at the Smart Grid level, where
23 this is rapidly developing within the last year with the new
24 Administration, it has achieved a very high prominence, and
25 there is a great impetus to integrate intermittent

1 renewables on the Grid. So NIST, as I said, has accepted
2 it as a foundational component of Smart Grid, but there is
3 still a lot of Standards work going on. So we would like to
4 see them working at the National level, as well as the State
5 level, and there is actually International interest, too.
6 The Government of Canada and NRCAN has been implementing
7 using open 80R and chilling the demand response
8 capabilities, and I understand the Governments of Korea and
9 India are also interesting in implementing it. Other
10 projects, including establishing the value of demand
11 response, pricing models, and in end-use applications, they
12 want to go from commercial and industrial, where they
13 primarily operated up until now, even into the residential
14 modes where, at this point, the ZigBee Alliance and Smart
15 Energy Profile has been dominant, and the Demand Response
16 Center would like to assist in that effort to sort of bring
17 the public interest and make sure that the public interest
18 is represented there, working also an interface design in
19 appliance integration, and further commercial applications
20 with lighting, in particular, bi-level and multi-stage
21 lighting. The California Lighting Technology Center has
22 developed a lot of bi-level lighting fixtures that can be
23 integrated with demand response. In the IAW area, they want
24 to work in data centers, wastewater facilities, and on the
25 integration of intermittent renewables and the integration

1 of storage facilities such as plug-in hybrid electric
2 vehicles, and further work with the California ISO on the
3 ancillary services side.

4 So we would ask for your approval of this
5 amendment and I will do my best to answer any questions you
6 might have.

7 CHAIRPERSON DOUGLAS: Thank you, Mr. Scruton.
8 Questions?

9 COMMISSIONER BYRON: Well, not really a question,
10 Mr. Scruton, more a comment. I am very impressed with the
11 work of the Demand Response Center at Lawrence Berkeley
12 National Lab, and you have brought us another very good
13 project. I guess I would just like to note for my fellow
14 Commissioners in response to a bill that Senator Padilla
15 brought us, SB 17, we are defining the Smart Grid at the
16 Public Utilities Commission on behalf of - I should state
17 this a little bit differently - we are working with the PUC
18 in developing a Smart Grid definition for investor owned
19 utilities and, of course, we will be doing a similar process
20 here for the publicly owned utilities. The staff has done
21 an excellent job in working with the PUC. I would like to
22 thank Commissioner Ryan, who I actually talked with last
23 night at about 7:00 or 7:30, he is taking that, I believe,
24 to the full Commission for approval tomorrow. And it is the
25 beginning of a process, we will need to continue to work

1 with them, the open ADR issue is still on the table, and
2 the importance of getting dynamic pricing information is the
3 key element in all of this. There are certain consumer
4 groups that oppose that, and they are wrong. We need to
5 communicate to consumers pricing information so that they
6 can make informed decisions about the use of energy. I
7 think this Commission has done an excellent job since - when
8 did you say - 2004?

9 MR. SCRUTON: That is when they began.

10 COMMISSIONER BYRON: Yeah, so although it is a
11 sizeable contract, I think it is extremely important, and I
12 would like to compliment Mr. Scruton on bringing us another
13 excellent project and providing me the opportunity to update
14 my fellow Commissioners on SB 17.

15 CHAIRPERSON DOUGLAS: Thank you, Commissioner
16 Byron.

17 COMMISSIONER EGGERT: Thank you, Commissioner
18 Byron. I was briefed on this effort. Myself and
19 Commissioner Weisenmiller were at LBNL and got a nice
20 briefing from their team there and it was clear that they
21 had one of the leading efforts in DR. And I was looking
22 through this contract, it is remarkably comprehensive, we
23 are asking them to do a sizeable amount of activity and, of
24 course, we are giving them a nice chunk of change, but it
25 looks like it is going to be a good value. You had noted

1 some of the connections to, for example, the CLTC, which is
2 good, you had also mentioned plug-in hybrids. I hope that
3 they are in good or close contact with our CEC funded Plug-
4 in Vehicle Center down the street, as well.

5 MR. SCRUTON: We will make sure they are.

6 COMMISSIONER EGGERT: Okay, excellent, because I
7 know there are a number of sort of synergistic research
8 activities that could be occurring, definitely with CLTC, we
9 were just there earlier -this week -- yeah, this week, and
10 they were talking about some of the opportunities that
11 existed for bi-level, multi-level, including demand response
12 lighting, so it seemed like a huge huge potential for energy
13 savings. Actually, my only real question is, I noticed one
14 of the primary subcontractors here is Levy Associates, and I
15 do not suppose there is any - you do not have to recues
16 yourself, or exit the room or anything like that.

17 MR. SCRUTON: A mere coincidence of name.

18 COMMISSIONER EGGERT: Okay.

19 MR. SCRUTON: No relation.

20 COMMISSIONER EGGERT: So yeah, so I think this
21 looks great and I would like to move the item.

22 COMMISSIONER BYRON: Second.

23 CHAIRPERSON DOUGLAS: All in favor?

24 (Ayes.)

25 This item is approved.

1 MR. SCRUTON: Thank you.

2 CHAIRPERSON DOUGLAS: Item 14. Lawrence Berkeley
3 National Laboratory. Possible approval of Contract 500-09-
4 049 for \$3.4 million with Lawrence Berkeley National
5 Laboratory to develop additional information on the
6 relationship between ventilation and health, and performance
7 and productivity in commercial buildings. Ms. Mueller.

8 MS. MUELLER: Good morning. I am Marla Mueller
9 with the California Public Interest Energy Research Program
10 in the Environmental area. We call this research proposal
11 before you today the "Healthy Zero Energy Buildings
12 Program." The goal of the Healthy Zero Energy Buildings
13 Program is to provide high quality research and ventilation
14 and indoor environmental quality that will assist the Energy
15 Commission in developing standards that simultaneously
16 provide for occupant fresh air needs, and keep energy
17 demands to a minimum. Commercial buildings that over-
18 ventilate waste energy and add unnecessary to the carbon
19 emissions with no clear benefit to building occupants.
20 Commercial buildings that do not provide adequate fresh air
21 to their occupants may compromise their health,
22 productivity, and performance. In order to optimize energy
23 efficiency in buildings, it is necessary to understand in
24 great detail how much ventilation is needed, which
25 technologies are most suitable delivering it, and where and

1 how in the buildings it should be supplied. To address
2 this issue, it is important to quantify the relationship
3 between ventilation and occupant outcomes, understand the
4 sources and dynamics of key indoor pollutants, and develop
5 recommended thresholds on acceptable occupant outcomes.
6 This information is needed to develop standards that can be
7 used to design and operate buildings with minimum energy
8 consumption, while meeting occupant needs, therefore
9 understanding the basic ventilation needs of building
10 occupants becomes a crucial component of California's energy
11 and carbon strategy.

12 The Health Zero Energy Buildings Program is a
13 joint program between the PIER Buildings and PIER
14 Environmental Groups. In addition, we work closely with the
15 Commission's Building Standards Implementation Group. This
16 is a complicated, multi-disciplinary program. To fully
17 realize the goals of the program may require additional
18 tasks and funding in the future. To be successful, this
19 program will need to engage stakeholders, including the
20 Energy Commission, the California Department of Health
21 Services, California Air Resources Board, California
22 Division of Occupational Safety and Health, ASHRAE, and
23 private sector ventilation and building industries. This
24 will be done through a series of workshops and technical
25 advisory meetings. The results of this program will be

1 presented to regulatory bodies and at relevant conferences.
2 We ask for your approval of this program.

3 CHAIRPERSON DOUGLAS: Thank you. Questions or
4 comments?

5 COMMISSIONER EGGERT: So, I was very happy to see
6 this effort. I know this is an item that has come up a
7 number of times, looking at the issues associated with
8 ensuring that we retain healthy indoor environments as we
9 sort of seal up, make tighter both new buildings and through
10 the retrofit activity of existing buildings. And I was
11 happy to see - I noticed you have ASHRAE as a partner there,
12 and I believe there is a new ASHRAE standard that is sort of
13 going into effect as we speak for some of these items on the
14 air exchange and such, and discussion about how that might
15 affect retrofit activities. And I guess that was one
16 question I had, is, you know, it is clear that you are
17 looking at this as applied to new buildings, but to what
18 extent do you see this research effort looking at different
19 types of older buildings?

20 MS. MUELLER: I think once we have a better
21 understanding of the needs of the occupants that could also
22 be applied to existing buildings, so I do see that that will
23 help in that area, also.

24 COMMISSIONER EGGERT: Is there any opportunity to
25 take advantage of some of the retrofit programs where we are

1 going to have a lot of the before and afters, where we have
2 folks with, perhaps, leaky facilities, and then after the
3 retrofit they will be substantially more sealed up. Is
4 there maybe a way of tapping into that activity to help
5 supplement the research findings?

6 MS. MUELLER: This is a program, so it is kind of
7 evolving as we move through it, so I think that is a
8 possibility. I also want to mention that we are just moving
9 forward in a multi-family project where we will be doing
10 exactly that, we will be looking at identifying how best to
11 retrofit buildings with energy efficiency and indoor
12 concerns, and we will be doing before and after in those
13 cases.

14 COMMISSIONER EGGERT: Excellent.

15 CHAIRPERSON DOUGLAS: We have a member of the
16 public who would like to make a comment on this item. Erik
17 Emblem, would you come forward?

18 MR. EMBLEM: Good morning. Chair, Commissioners,
19 I appreciate the ability to talk to you today, allowing me
20 some time. Let me identify, I am here representing the
21 Joint Committee on Energy and Environmental Policy that was
22 created by California SMACNMA, Sheet Metal Air Conditioning
23 Contractors and the California Sheet Metal Workers. And
24 kind of a historical kind of, to give you some history, in
25 the late '70s, these two groups got together with then

1 Governor Brown and President Carter, and we had the second
2 oil embargo, we had lines of cars at gas pumps, so it all
3 kind of spurred on Title 24 and everything that is going on,
4 but from that moment on, this industry -- and from the
5 industry we brought our intern here today to talk a little
6 bit about - has been committed to ventilation and comfort
7 and safety in buildings. And what we started in 1980 in
8 California was the National Energy Management Institute. We
9 started it right here in Sacramento. And at that time it
10 was ERDA, Energy Reserve and Development Administration,
11 under Jimmy Carter, and the State of California, and this
12 industry that I am representing today, all committed \$1
13 million each to start a system of reviewing energy, energy
14 use in buildings in California, and started with schools.
15 And they trained 2,000 energy auditors to do audits in
16 schools in California in our training centers. So this has
17 evolved today, but interestingly enough, as we started
18 tightening up these buildings and attaining savings, we
19 compromised the indoor air quality, the environmental
20 quality of the buildings. So, in the early '80s, we
21 partnered with the EPA and the Department of Energy is
22 involved, and developed the first certification program for
23 technicians and contractors on doing indoor air quality
24 evaluation of buildings. I am saying all that because we
25 are here to support this. I think this is very innovative,

1 it is going to update a lot of work we have already done.
2 I think in the early '80s, Kodak had done some studies on
3 the effects of the indoor environment on the productivity of
4 their employees, and they did a lot of anecdotal studies
5 that turned out to be pretty true. We commissioned an
6 actual scientific study that was headed by Chuck Dorgan of
7 Dorgan & Associates that received an international award for
8 its scientific work and ASHRAE award for it, on the effects
9 of indoor air quality and the productivity of people. We
10 updated that study when I was Executive Director of NEMI in
11 2002, where we moved it from just office buildings and into
12 the hospitality industry. Now, California enjoys a lot of
13 hospitality industry and tourist industry, so that report, I
14 think, would be great to feed into this. Chuck Dorgan Sr.
15 did the original study for us, and Chad Dorgan, his son, who
16 is actually a professor now and doing a lot of the
17 commissioning training with University of Wisconsin, did the
18 follow-up work.

19 We would like to offer our services with our 625
20 contractors and 25,000 workers in the State of California,
21 to work with Berkeley and the Energy Commission to further
22 this work. We think it is needed and just commend it and
23 support it 100 percent. Thank you for letting me speak.

24 CHAIRPERSON DOUGLAS: Well, thanks for being here
25 and thanks for speaking on this issue.

1 COMMISSIONER BYRON: Mr. Emblem, I would like to
2 also add my kudos. You have been before this Commission a
3 number of times and your comments are always very helpful,
4 but the bit of the history lesson, very informative, but
5 your continued support and cooperation with the Commission
6 is greatly appreciated. Thank you for being here today.

7 COMMISSIONER EGGERT: Yeah, just I want to second
8 that, Mr. Emblem, and actually another bit of history
9 trivia, I actually interned with Chuck Dorgan, I went to the
10 University of Wisconsin in Madison, and did a short stint
11 and so I got to know him and his son, and that is a very
12 impressive operation, so it is kind of a blast from the past
13 to hear that name and I am glad to see that their work is
14 still delivering good value and benefits, so thank you very
15 much.

16 COMMISSIONER BYRON: I think we should probably
17 approve the item. Madam Chair, I would like to move its
18 approval.

19 COMMISSIONER EGGERT: I will second it.

20 CHAIRPERSON DOUGLAS: All in favor?

21 (Ayes.)

22 This item is approved. Thank you.

23 Item 15. National Oceanic and Atmospheric
24 Administration. Possible approval of Contract 500-09-047 for
25 \$1,105,000 with the National Oceanic and Atmospheric Administration

1 (NOAA) to research the potential effects of atmospheric
2 rivers and airborne particles from man-made processes on
3 precipitation in California. Mr. O'Hagan.

4 MR. O'HAGAN: Thank you. Good morning,
5 Commissioners. This proposed interagency agreement with
6 NOAA, National Oceanic and Atmospheric Administration, is to
7 help conduct research and data analysis to improve our
8 understanding of two significant meteorological processes
9 that affect precipitation in California, meaning, as well,
10 water supply, hydropower generation, and flood safety. NOAA
11 is offering to do this research and we are leveraging \$2.5
12 million of NOAA's funding for this project, we do not call
13 it "matched funding," but it is referred to as "in lieu"
14 funding since they are a federal agency. And this research
15 is an outgrowth of collaborative efforts between the
16 Department of Water Resources, the Air Resources Board, the
17 University of California, and several of the DOE National
18 Laboratories. And the idea is to provide research that will
19 compliment some of the efforts of these other agencies, as
20 well. The two aspects that are being addressed in this
21 proposed research are atmospheric rivers which are long
22 narrow bands with high water vapor content, that stretch
23 from the tropical latitudes to the West Coast of California,
24 Oregon, and Washington, and once they reach land, the
25 orographic [phonetic] factors, they produce large amounts

1 of precipitation. There was recently, last October, I
2 believe, in Big Sur and in a couple days they received 24
3 inches of precipitation during an atmospheric river event.
4 There has been significant flooding documented with
5 atmospheric river events. If you recall back, oh, 10-12
6 years, there was significant flooding on the Russian River,
7 which was an atmospheric river event. As these rivers move
8 inland, they reach the mountains and they go over, but there
9 are two barrier jets, there is one that goes up along the
10 coast, that are perpendicular to the path of the river, and
11 there is one in front of the Sierra Nevada, and these can
12 cause the rivers to stall out and become relatively
13 stationary, and that is when you get the significant
14 downpour of precipitation. So, to understand how these
15 barrier jets affect atmospheric river events, we are
16 proposing this research which would involve funding NOAA to
17 analyze data to be collected this past winter, as well as
18 deploy additional equipment to study this phenomena and
19 analyze the resulting data for the coming winter. NOAA
20 estimates the atmospheric rivers contribute 40 percent of
21 the precipitation in the state, there are a number of events
22 that may occur from three to four, possibly eight or more in
23 a year, usually with more events, it has been a wetter year.
24 It is real important if we can understand how these barrier
25 jets affect the atmospheric rivers, we can have a better

1 idea of forecasting which watersheds will receive more snow
2 than rain, in terms of hydropower generation, and certainly
3 flood safety is a major concern. The other aspect is to
4 understand that NOAA's study is to understand how
5 particulate matter affects precipitation. Earlier PIER
6 funded studies have estimated that particular matter in the
7 atmosphere has inhibited precipitation, perhaps reducing
8 precipitation as much as 15 percent. What NOAA is proposing
9 to do is to collect meteorological data that help us
10 understand the near surface meteorological processes, and
11 how particulate matter interacts with that. So they look at
12 points where the rain that turns precipitation from freezing
13 to rain, they would look at snow levels in the mountains, to
14 help us understand what these processes are and how aerosols
15 or particulate matter interact with these. This information
16 will compliment other PIER and other agency research on this
17 issue, and perhaps we can see if this is really affecting
18 water supply and hydropower generation within the state.
19 Thank you, and I ask your approval of this proposed project,
20 and I am open for any questions.

21 CHAIRPERSON DOUGLAS: Thank you. Any questions?

22 COMMISSIONER EGGERT: This looks extremely
23 interesting and important. Does this include interaction
24 between the precipitation and the snowpack, as well? Is
25 that part of it?

1 MR. O'HAGAN: Yes. The stations will mainly be
2 focusing on a transect from coastal areas up to the Sierra
3 Nevada Foothills, but they will look at snow patterns, they
4 will be using radar that goes up, so you will see higher
5 altitude precipitation effects, as well as the near surface,
6 and that will include snow events, too. But the concern is
7 particulate matter does affect ice, crystal formation, which
8 would affect snow, melted snowfall as well as rain
9 precipitation.

10 COMMISSIONER EGGERT: Yeah, I think clearly, I
11 know some of the climate change scenarios that were run as
12 part of the analysis that has fed into the development of AB
13 32 and, of course, a lot of the current work looking at
14 adaptation identifies the potential for significant changes
15 in precipitation patterns, you know, affecting California's
16 water supply, so it looks like this will be - but I also
17 recognize there is a lot of uncertainty in a lot of those
18 estimates, so it looks like this will help contribute to the
19 understanding and provide us a better understanding of what
20 could actually happen. So this looks good. I would like to
21 move the item.

22 COMMISSIONER BYRON: And, Mr. O'Hagan, thank you
23 for my atmospheric lesson for the day, I learned some things
24 here that I had never known before. Thank you, and I will
25 second the item.

1 CHAIRPERSON DOUGLAS: All in favor?

2 (Ayes.)

3 This item is approved. Thank you, Mr. O'Hagan.

4 MR. O'HAGAN: Thank you very much.

5 CHAIRPERSON DOUGLAS: Item 16. One Cycle Control.

6 Possible approval of Grant Agreement PIR-09-020, awarding
7 \$400,000 to One Cycle Control to demonstrate a 15-kilowatt
8 peak load reduction system. Mr. Kazama.

9 MR. KAZAMA: Good morning, Chair Douglas and
10 Commissioners. I am Don Kazama of the Energy Research and
11 Development Division's Industrial, Agricultural, and Water
12 Team. And this is one of three energy storage demonstration
13 projects that were competitively selected under the \$6.9
14 million Emerging Technologies Development Grant. And these
15 projects are designed to demonstrate demand response through
16 energy storage. Collaborating with program staff in the
17 selection process were all three of California's investor
18 owned electric utilities. This project is designed to
19 utilize repurposed electric and hybrid electric vehicle
20 batteries, and at its core is a newly developed high-speed
21 microelectronic bi-directional power conversion system that
22 drives the process. The company, the recipient, is going to
23 provide \$105,000 in matched funds, and this project has
24 previously been approved by the RD&D Committee. The U.S.
25 Department of Energy estimates that California has about

1 50,000 businesses engaging in either food processing or
2 manufacturing activities, and about one-quarter of these
3 businesses are classified as light industrial facilities
4 with peak electric demands up less than 200 kilowatts. And
5 these customers currently pay a pretty high electric demand
6 charge, and these costs are going to be getting even higher
7 as mandatory time dependent electric charges are going to
8 come into play.

9 Now, demand response is very very difficult to
10 implement in industrial facilities because you cannot stop
11 production. Energy storage provides an effective means of
12 providing demand reduction without interrupting this
13 production. Now, the goals of one-cycle controls energy
14 storage technology is to reduce peak load on the customer
15 side of the meter, to save them electricity costs, and to
16 provide electric utilities with a more stable electric
17 demand load profile. The one-cycle control design
18 efficiently changes single phased DC power from the
19 batteries to very clean three-phase AC power that is
20 required by industrial facilities. Each energy storage
21 module in this system is about the size of a small under-
22 counter refrigerator and it produces 15 kilowatts of power
23 at 480 volts AC, which is pretty common in manufacturing and
24 food processing plants. Now, most existing power converters
25 are physically very large. Think of your home 21-cubic-foot

1 refrigerator, and these things can weigh up to 800 pounds.
2 They are also pretty inefficient. They only have a 70
3 percent conversion efficiency, which means that 30 percent
4 is a loss, which usually goes out the window in heat, and
5 they cannot very well convert single phased DC power into
6 clean three-phase AC power because their switching system is
7 a little bit too slow. Now, one cycle control has what is
8 called a bi-directional converter, which uses high speed
9 micro-electronics that can cleanly and efficiently simulate
10 three-phase AC power, and the efficiency on this unit is
11 stated as being 98 percent, so you only have 2 percent loss,
12 which is pretty significant. It is also physically very
13 small, it is about the size of a briefcase, and it weighs in
14 at about 20 pounds.

15 Now, the purpose of this demonstration project is
16 to validate the scalability of the current bench scale
17 prototype to an actual California light industrial
18 manufacturing plant that happens to manufacture robotics
19 systems. Now, to assess the veracity of the technology and
20 validate the peak demand savings available from it, Southern
21 California Edison will conduct measurement and verification
22 studies of the project at the customer site. Edison will
23 also conduct a follow-on study to extrapolate peak load
24 reduction savings from that particular plant, service-wide.
25 And if the results are promising, Edison will also assist in

1 technology transfer and commercialization of its technology
2 by offering financial incentives to customers who will adopt
3 it.

4 Now, projected statewide, this technology has the
5 potential to reduce peak electric demand in California's
6 industrial sector by about 150 megawatts, and this is a cost
7 savings to California industry of about \$1.8 million per
8 demand event. On the utilities side, this technology
9 benefits California's electric distribution grid by reducing
10 load at congestion points. And the value to utilities of
11 this capability would obviously be extremely high.

12 And lastly, I am pleased to state here that all
13 the businesses involved in this project are California
14 businesses. The recipient, One Cycle Control, is based in
15 Irvine. The demonstration site, California Computer
16 Research, Inc., is based in Newport Beach. And the battery
17 supplier, A123 Systems, is located in the San Gabriel
18 Valley. Now, due to the tremendous potential benefits to
19 both electric customers and electric utilities, we would
20 like the Commission to go ahead and approve this agreement
21 with One Cycle Control. And I would be happy to answer any
22 questions you might have.

23 CHAIRPERSON DOUGLAS: Thank you very much.
24 Questions, Commissioners?

25 COMMISSIONER BYRON: This is an important project

1 because, you are absolutely right, storage has always been
2 looking at load shifting, and addressing peak demand could
3 have great potential savings; however, as I understand it,
4 Mr. Kazama, the ratcheting of the demand meter is such that,
5 once you hit a peak demand, you are stuck with that peak
6 demand on your utility bill for the rest of your life. And
7 I am really glad to see that you have Southern California
8 Edison involved in this project because they would have to
9 be convinced about the reliability of this piece of
10 equipment, and be able to allow changes to the way that peak
11 demand is set. Isn't that correct?

12 MR. KAZAMA: That is correct, and it is true about
13 the peak demand charge. Once it is set, then it is set like
14 that pretty much for life, until, of course, a new higher
15 demand is set. Now, this energy storage package is designed
16 to be either cut in automatically, or it can be a serial
17 feed-through, which will reduce - say, the 200 kilowatt
18 customer implements this in their facility, they can reduce
19 their demand instantaneously by 15 kilowatts and it can stay
20 that way.

21 COMMISSIONER BYRON: Well, and of course,
22 equipment has to be taken out occasionally for maintenance
23 or repair, and so if, during that time, you had hit your
24 peak demand again, you are stuck, so I encourage you to
25 continue to work closely with the investor owned utility and

1 fellow Commissioners, there will likely need to be a policy
2 change in the regulatory arena in order to enable the
3 financial benefits to customers from this kind of
4 technology. But I think it has tremendous advantages
5 because that peak, the utilities have argued for decades, is
6 really the basis for that demand charge, and this can be
7 substantial for some businesses.

8 MR. KAZAMA: Thank you, Commissioner, for your
9 points. They are well taken.

10 COMMISSIONER BYRON: Thank you.

11 COMMISSIONER EGGERT: Yeah, just I think a
12 comment. I was encouraged to see the fact that they were
13 using basically the transportation battery packs from the -
14 the plan is to use the plug-in Prius A123 packs?

15 MR. KAZAMA: That is correct. Basically, this
16 technology can be used with any type of deep discharge
17 battery pack, as long as it meets the capacity requirements.
18 But A123 happens to be purpose building, these lithium ion
19 packs, for upcoming Toyota Prius cars.

20 COMMISSIONER EGGERT: Right, and I know some of
21 the other research that is underway through PIER is looking
22 at batteries second use opportunities, of which, yeah, this
23 is clearly one, that can provide the ability to reduce the
24 cost of the battery pack to the consumer if they have the
25 ability to use it in a second life application like this,

1 you know, I think they are saying once it reaches sort of
2 80 percent capacity, that it would be used for this purpose
3 and still potentially have a significant amount of utility
4 associated with it. So that was very encouraging. So, yes,
5 this looks like a great project. I will move the item.

6 COMMISSIONER BYRON: Second.

7 CHAIRPERSON DOUGLAS: All in favor?

8 (Ayes.)

9 This item is approved. Thank you.

10 MR. KAZAMA: Thank you.

11 CHAIRPERSON DOUGLAS: Item 17. University Of
12 California, Davis. Possible approval of Contract 500-09-050
13 for \$150,000 with the Regents of the University of
14 California, Davis to demonstrate the use of a novel
15 ultraviolet treatment system for wastewater disinfection.
16 Mr. Roggensack.

17 MR. ROGGENSACK: Thank you. Good morning,
18 Commissioners. My name is Paul Roggensack. I work with the
19 Energy Research and Development Division in the PIER
20 Industrial Agricultural Division. We are asking approval of
21 this proposed interagency agreement to advance the
22 technology of ultraviolet treatment of wastewater. This
23 conventional wastewater treatment of using ultraviolet light
24 consists of flowing the wastewater through a channel with
25 the UV lamps immersed within the wastewater. This

1 innovative technology consists of a Teflon tube vertically
2 arranged with - it is about three-feet in length with about
3 six-inches in diameter, and they create a vortex that flows
4 upwards, and the vortex creates a better mixing of the
5 wastewater so you get more complete radiation, plus the
6 centrifugal force of the vortex pushes the water closer to
7 the ultraviolet lamps, and the lamps - there are four lamps
8 on the exterior of the Teflon tube, near the top of the
9 tube. So because you have got these features, the better
10 mixing and the centrifugal force factor, you can use less
11 bulbs to treat an equal volume of water. And based on that,
12 the University estimates it can reduce the energy associated
13 with ultraviolet light 30 percent.

14 Other benefits of this project will be reduced
15 operation and maintenance costs. The bulbs are on the
16 exterior, so they are easy to replace and remove. A typical
17 ultraviolet treatment, you have to remove an entire array of
18 bulbs when just one goes out, so you have to shut down the
19 whole treatment process just to replace one bulb. Another
20 benefit of this project is that it will make ultraviolet
21 more feasible to smaller facilities plus industrial
22 facilities that have to comply with wastewater permits. So
23 the benefits of this are improved feasibility, reduced
24 energy, and reduced operation and maintenance. And I would
25 also like to stress that, although this is applied to

1 wastewater, it has the potential to be used for water
2 treatment, as well, potable water. So I would be happy to
3 answer any questions you have on this and we ask for your
4 approval.

5 COMMISSIONER BYRON: Madam Chair, I move approval
6 of Item 17.

7 COMMISSIONER EGGERT: Second.

8 CHAIRPERSON DOUGLAS: All in favor?

9 (Ayes.)

10 That item is approved. Thank you.

11 Item 18. Rensselaer Polytechnic Institute.
12 Possible approval of Contract - and there is a change to the
13 number - it is 500-09-012 for \$60,000 for a one year
14 membership in the Partners Program at Rensselaer Polytechnic
15 Institute's Lighting Research Center (LRC). Mr. Davis.

16 MR. DAVIS: Good morning, Commissioners. I am
17 Dustin Davis from the PIER Buildings Team. This agenda item
18 seeks your approval for renewal of our longstanding
19 partnership with the Lighting Research Center at Rensselaer
20 Polytechnic Institute. The Lighting Research Center is the
21 nation's oldest research institution devoted to lighting.
22 The Energy Commission has actually participated in this
23 partnership every year since 2000. The Partnerships is an
24 association of academia, industry, utilities, and the
25 leading government research agencies, including the Energy

1 Commission, New York State Energy Research Development
2 Authority, and the U.S. Environmental Protection Agency,
3 leveraging over \$500,000 in public-private funds annually.
4 This partnership provides a significant and necessary
5 scientific compliment to the Commission's interest in the
6 regular development of market-ready energy efficient
7 lighting products and systems, such as those brought forth
8 by the California Lighting Technology Center at U.C. Davis.
9 The Lighting and Research Center excels at conducting more
10 basic research, while the California Lighting Technology
11 Center focuses on packaging up this basic research and
12 connecting that research to the market with lighting
13 products and systems that not only perform efficiently, but
14 have aesthetic qualities that help these products appeal to
15 consumers.

16 The Commission and California have garnered
17 considerable value from this partnership. The proposed
18 contract will enable the advantages of collaboration to
19 continue to flow to California utilities and energy
20 efficient stakeholders. As in past years, the partnership
21 will provide information resources for the Commission and
22 our electric utilities, and generally ensure that the
23 partnership is both relevant and responsive to California's
24 energy efficiency R&D agenda and utility emerging technology
25 programs. Your approval of this partnership is recommended,

1 and I would be happy to answer any questions you might
2 have.

3 COMMISSIONER EGGERT: Thank you, Mr. Davis.
4 Actually, I think you answered one of my questions with
5 respect to the relationship between this activity and the
6 CLTC here, so as I understood what you said of their
7 involvement and a little bit more of the basic research?

8 MR. DAVIS: Yes.

9 COMMISSIONER EGGERT: I am wondering, do you have
10 an example of some of the work that is going on there that
11 is focused on the lighting technologies at the basic level?

12 MR. DAVIS: Well, I mean, yeah, for example, since
13 this partnership was created, the lighting research center
14 was able to quantify the relationship between daylight,
15 light, and human health, so as far as like human factor type
16 stuff, they have been able to quantify, you know, that sort
17 of benefit there, and the need for that, which contributing
18 to that knowledge base, institutions like the California
19 Lighting Technology Center can draw from that and take that
20 into consideration for their purpose, which is mostly kind
21 of manipulating lighting systems and products to most appeal
22 to the market and the market connections aspect, more
23 applied-type research, to see hopefully an effect in the
24 market within a few years. So, again, it is complimentary
25 of each other and the LRC feeds into the CLTC's knowledge

1 base to increase efficiency, overall.

2 COMMISSIONER EGGERT: Yeah, and I noticed they
3 seem to have a lot of the same partners between the two
4 different labs, including the industry partners, and so the
5 CLTC, do they - what is sort of the means of communication,
6 do they have sort of representation on each other's - how do
7 they sort of make sure they are coordinating their research
8 activities, I guess?

9 MR. DAVIS: Well, basically, with this
10 partnership, it enables us - it is two site visits, so for
11 one site visit, we are able to go out to New York, myself
12 typically goes, or someone possibly from the CLTC could join
13 me for that, and that is the time to kind of network with
14 the other partners in the LRC Partnership Program, and also
15 kind of present what is going on with PIER and what we have
16 been working on, and vice versa, and then another thing, as
17 far as the other site visit, is that the Lighting and
18 Research Center folks actually come out to California
19 through this partnership program, and they present a number
20 of items, their agenda basically is determined by the needs
21 of California, whether that is us, CLTC and other energy
22 efficiency stakeholders, and basically we create that agenda
23 and they will come out here and talk to us, what they are
24 working on, that kind of connects with those needs.

25 COMMISSIONER EGGERT: Okay, thanks.

1 COMMISSIONER BYRON: Madam Chair, I think
2 sometimes we think it is all invented here in California,
3 and this is an example where a staff obviously gains
4 expertise and takes advantage of technology elsewhere. I
5 certainly would like to recommend that we approve this item.
6 But I would also add, I think this is the last of seven PIER
7 projects, excellent projects brought to this Commission
8 today, and I would like us to consider changing Public
9 Interest Energy Research to Public Investment Energy
10 Research because that is how I have come to think of this,
11 as Chair of the RD&D Committee, another important aspect of
12 our work is collaboration, and I would recommend approval of
13 Item 18 for that purpose.

14 CHAIRPERSON DOUGLAS: Is that a motion,
15 Commissioner?

16 COMMISSIONER BYRON: Yes.

17 COMMISSIONER EGGERT: Yeah, and I guess I would
18 just also say, it has been heartening to hear, you know, the
19 examples of collaboration across agencies outside of the
20 state, links between PIER and the other divisions, the
21 energy efficiency and the 118, so glad to see that coming,
22 the description of these programs and the design of these
23 programs, so I will second the item.

24 CHAIRPERSON DOUGLAS: All in favor?

25 (Ayes.)

1 Item 18 is approved.

2 MR. DAVIS: Thank you.

3 CHAIRPERSON DOUGLAS: Thank you.

4 Item 19. Administrative Subpoena. Possible
5 approval of an administrative subpoena directing the
6 California Independent System Operator (CA ISO) to provide
7 data needed to evaluate generation and transmission outages,
8 congestion, must-offer waivers, and load. Ms. Holmes.

9 MS. HOLMES: Good morning, thank you. Caryn
10 Holmes with the Commission's Legal Office. The item in
11 front of you, the last item today, is an Administrative
12 Subpoena directing the Independent System Operator to
13 provide data that it collects and uses in the course of its
14 business to the California Energy Commission. This data is
15 used for a variety of analyses, including the summer outlook
16 that is used to help identify infrastructure needs
17 associated with the replacement of once-through cooling
18 facilities, as well as some of the collaborative work that
19 we do at the Public Utilities Commission. The Independent
20 System Operator has no objection to providing this data, but
21 does require that entities seeking data that it collects
22 from market participants do so through an Administrative
23 Subpoena or a Court Order. We have done this on an annual
24 basis since 2004, this is the seventh subpoena; the only
25 difference between this one and last year's is that there

1 are some changes in terms that reflect the fact that some
2 of the data that the ISO is collecting is a little bit
3 different than it was last year, and sometimes there are
4 different formats and different time periods, and we have
5 updated this subpoena to reflect that.

6 The ISO was provided with a copy of the Subpoena
7 and encouraged to offer comments and suggestions, but they
8 have had none, so staff is recommending that the subpoena be
9 approved so they can continue to receive access to this
10 information this year and next.

11 COMMISSIONER BYRON: Madam Chair, I think this is
12 referred to as the "Friendly Annual Subpoena of the ISO,"
13 but, of course, I would note that I think all subpoenas from
14 Ms. Holmes seem to be friendly subpoenas.

15 MS. HOLMES: That is a scary thought,
16 Commissioner.

17 CHAIRPERSON DOUGLAS: Certainly this one. Any
18 other questions or comments, Commissioners?

19 COMMISSIONER EGGERT: No questions.

20 COMMISSIONER BYRON: Madam Chair, I move approval
21 of Item 19.

22 COMMISSIONER EGGERT: Second.

23 CHAIRPERSON DOUGLAS: All in favor?

24 (Ayes.)

25 Item 19 is approved.

1 MS. HOLMES: Thank you very much.

2 CHAIRPERSON DOUGLAS: Thank you, Ms. Holmes.

3 Item 20. Minutes. Approval of the June 2nd, 2010
4 Business Meeting Minutes.

5 COMMISSIONER BYRON: I move approval.

6 COMMISSIONER EGGERT: Second.

7 CHAIRPERSON DOUGLAS: All in favor?

8 (Ayes.)

9 The Minutes are approved.

10 Item 21. Are there any Committee presentations or
11 discussion?

12 COMMISSIONER BYRON: Madam Chair, I have one item
13 I would like to bring to your attention and to Commissioner
14 Eggert's attention. Last week, actually, I think it was two
15 weeks ago because we have not had a business meeting since
16 then, there was a "California Smart Energy Investments:
17 Intelligent Path to Energy Efficiency" workshop that was put
18 on in the afternoon by UC Davis Energy Efficiency Center,
19 another one of Commissioner Eggert's alma maters. And at
20 that, besides the excellent speakers, one of which was
21 President Peevey at Public Utilities Commission, he
22 acknowledged the efforts of one of our former colleagues,
23 and I think it is worth mentioning here, and that is
24 Commissioner Geesman, who seemed to have somewhat single-
25 handedly thwarted the efforts of a single corporation's

1 effort to pass a proposition on the ballot earlier this
2 month. It is certainly recognition of his efforts to
3 restore at least my faith in the fact that you cannot buy an
4 election, at least until November, really gives me great
5 hope that there is opportunity and occupation for former
6 Energy Commissioners. But I think it is also worth noting
7 that another proposition has qualified to find its way on
8 the November ballot, and that proposition, as I understand
9 it, is to essentially suspend AB 32. And President Peevey
10 also noted at this meeting that that proposition had
11 passed, and I would certainly like to suggest to my fellow
12 Commissioners, although we do not spend any time or effort
13 on these matters, former Energy Commissioners do, as do PUC
14 Presidents. That corporation that spent nearly \$50 million
15 or more to essentially look out for consumer and citizen
16 interest in the State of California, perhaps they should be
17 challenged to spend at least that much to make sure that we
18 look out for the future interest of the citizens of the
19 State of California in opposition to Prop 32. I mention
20 that to you because I plan to challenge them on that
21 particular item and I hope that you may have opportunity to
22 do so, as well. Thank you for indulging me.

23 CHAIRPERSON DOUGLAS: Well, thank you,
24 Commissioner. And I know that there are matters on the
25 ballot past election in the upcoming election that have been

1 of significant interest to all of us, that we have been
2 watching, and I understand that we have asked our Chief
3 Counsel to provide guidance on appropriate activities - not
4 for former, but for current Commissioners. Former
5 Commissioners can do what they want. So I believe he will
6 be providing some guidance in the near future, Mr. Levy?

7 MR. LEVY: It is forthcoming, yes.

8 CHAIRPERSON DOUGLAS: Thank you. Commissioner
9 Eggert, anything?

10 COMMISSIONER EGGERT: I think maybe just to sort
11 of reiterate again, sort of one of the things that came
12 forth from the summit last week was the singular most
13 important factor was sustained and durable environmental
14 policy, that was necessary for those companies to bring
15 their investments to the state, and they are talking
16 literally billions of dollars that are flowing into
17 California for clean energy technologies, because of our
18 environmental policies, and so it was a really great
19 testament to the importance of sustaining the policies that
20 we do have.

21 I wanted to make a quick point, which was for a
22 report out from a meeting we had on Monday morning, which
23 was with the utilities on our energy efficiency standards,
24 and just say that it was a very productive meeting. We
25 talked a lot about how we can work together with the

1 utilities to provide the underlying data analysis and
2 evaluation of different appliance and building standards
3 that are forthcoming. You know, they have got a sizeable
4 amount of resources that they can apply to assist us in
5 developing the record for good cost-effective energy
6 efficiency standards, and so we are going to be following up
7 on that meeting and taking them up on that offer to help
8 supplement some of our scarce resources for some of these
9 standards. And you know, I think working together, we can
10 actually get quite a bit accomplished over the next several
11 years. I think that is it.

12 CHAIRPERSON DOUGLAS: Thank you, Commissioners.

13 Item 22. Chief Counsel's Report.

14 MR. LEVY: Yes, I would like to request a closed
15 session on two items, please. That would be the California
16 Communities Against Toxics vs. South Coast Air Quality
17 Management District, and also the Western Riverside Council
18 of Governments vs. Department of General Services.

19 CHAIRPERSON DOUGLAS: Thank you, Mr. Levy.

20 Item 23. Executive Director's Report. We will
21 move to closed session after.

22 MR. LEVY: Actually, may we do that at 1:30
23 instead of immediately after the meeting? I have got a - we
24 may not?

25 CHAIRPERSON DOUGLAS: I do not think so.

1 MS. LEVY: Is there some other time later today
2 that we are available, or 1:00 perhaps?

3 CHAIRPERSON DOUGLAS: 7:00? How about tomorrow
4 morning? Why don't we continue this tomorrow morning,
5 Commissioner Byron? Tomorrow morning before 11:00?

6 MR. LEVY: That will work, thank you.

7 CHAIRPERSON DOUGLAS: All right, so why don't we
8 say, instead of "generally before 11:00," why don't we say
9 tomorrow morning at 10:00 a.m.?

10 MR. LEVY: Very good, thank you. Actually, that
11 is not working for me.

12 CHAIRPERSON DOUGLAS: Tomorrow morning at 9:00?

13 MR. LEVY: Could we make it tomorrow afternoon?
14 No.

15 CHAIRPERSON DOUGLAS: No.

16 MR. LEVY: All right, let's just do it right after
17 this meeting and we will make it a quick one.

18 CHAIRPERSON DOUGLAS: All right.

19 MR. LEVY: Thank you.

20 CHAIRPERSON DOUGLAS: Item 23. Executive
21 Director's Report.

22 MS. JONES: Thank you. I wanted to do two things
23 today. First of all, I wanted to announce the appointment
24 of Pat Perez as the Deputy Director for the Fuels and
25 Transportation Division, and introduce him. Pat, come on

1 up. Many of you know him. He has worked in the Executive
2 Office for the last three years as an Assistant Executive
3 Director working on Climate Change and our ARRA activities.
4 Prior to that, he worked within the Fuels and Transportation
5 Division, managed the Special Projects Office and the Fossil
6 Fuels Office. He has worked on a variety of projects
7 throughout his career here on the Commission, and he brings
8 in-depth knowledge of energy and transportation issues to
9 the job, with demonstrated experience and skills at
10 managing. And so I am pleased that he will be taking on
11 this new function as the Deputy Director for Fuels and
12 Transportation.

13 CHAIRPERSON DOUGLAS: Congratulations, Pat.

14 MR. PEREZ: Thank you very much, Chairman and
15 Commissioners, and Melissa and Claudia, in particular, for
16 your vote of confidence here. I am very excited about
17 returning to the Division where I spent 20 years of my
18 professional and technical life, and it appears to be
19 perfect timing for the transition with the near term
20 completion of the AB 118 Investment Plan here in August, and
21 I will be able to get my feet running quickly on the new
22 Investment Plan. And I am just very very excited to be
23 working as part of the Executive Management Team here. I am
24 certainly going to miss many of you in the Executive Office
25 for my Climate Change work, as well as the Recovery Act, but

1 as we all know, it is all interconnected and intertwined,
2 so there is no way for me to escape those two areas. So
3 thank you once again for the support.

4 COMMISSIONER BYRON: Excellent. Congratulations
5 again.

6 COMMISSIONER EGGERT: Yeah, congratulations. I
7 think it was an excellent choice, Melissa, and we are very
8 fortunate to have you in that position and to be able to
9 draw on your experience and expertise.

10 MR. PEREZ: Thank you for your kind comments.

11 MS. JONES: Great, and I wanted to quickly update
12 you on our efforts with the PUC and the IOUs, as well as our
13 SEP contractors in developing an Energy Upgrade California
14 brand so that we can better inform the public about the
15 activities here under ARRA, as well as at the PUC, and the
16 programs administered by the IOUs. We had a successful
17 meeting last week and we have significant resources that
18 have been made available to do outreach and education, and
19 marketing, as well. So we are working very collaboratively
20 with all the parties on that. And the second thing I wanted
21 to do on updates was to just note that the 2010 IEPR is now
22 underway with the first workshop on June 14th, where the
23 focus was on the Federal Stimulus program, and Measurement,
24 Evaluation and Verification work. We had Laura Chick from
25 the Inspector General's Office here, as well as Matt Rogers

1 from the Department of Energy, and we heard many
2 complimentary things about the programs that we are
3 administering. And so that was very good. We had two more
4 workshops - well, we had a total of six workshops scheduled,
5 but I just wanted to introduce the next two, on July 8th, we
6 will be covering government building retrofit projects that
7 have been funded by ARRA, and then, on July 13th, we will be
8 holding a workshop on the Commission's PIER and AB 118
9 Programs, and how they have helped to bring additional ARRA
10 funds into the state. And that is for me. Thank you.

11 CHAIRPERSON DOUGLAS: Thank you, Ms. Jones.

12 Item 24. Public Advisor's Report.

13 MS. JENNINGS: I have nothing to report at this
14 time. Thank you.

15 CHAIRPERSON DOUGLAS: Thank you.

16 Item 25. Is there any public comment? Seeing
17 none, we will move to Executive Session. Thank you.

18 (Whereupon, at 12:16 p.m., the business meeting was
19 adjourned.)

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